United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Friday, October 31, 1997*

The House met at 9 a.m. and was called to order by the Speaker pro tempore [Mr. SHIMKUS].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
October 31, 1997.

I hereby designate the Honorable JOHN SHIMKUS to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

Your spirit, O God, that is new every morning and with us until our last day, comes to us as a gentle wind blowing away all our faults and shortcomings and giving us a new beginning and new hope. In spite of all the sadness and disappointments that enter our lives, Your grace is sufficient for our needs and Your love is a balm unto our souls. May Your blessing, gracious God, that refreshes and makes us whole, be with us now and evermore, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore (Mr. SHIMKUS). The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio [Mr. BROWN] come forward and lead the House in the Pledge of Allegiance.

Mr. BROWN of Ohio led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 167. Concurrent resolution to correct a technical error in the enrollment of H.R. 2160.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2160) "An Act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998, and for other purposes."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 672. An act to make technical amendments to certain provisions of title 17, United States Code.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1024. An act to make chapter 12 of title 11 of the United States Code permanent, and for other purposes; and

S. 1149. An act to amend title 11, United States Code, to provide for increased education funding, and for other purposes.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will now entertain five 1-minutes from each side.

OPPOSE PRESIDENT'S PLAN ON NATIONAL TESTING

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, today is Halloween, so let me begin with the first liberal horror story of the day. Our education liberals have come up with another expensive solution for our failing public school system. That is right. They want to use more of your taxpayer dollars to design and implement a national testing plan.

While all parents, including all of us, want to monitor the progress of our children in school, we do not want Washington bureaucrats creating more redtape through a national testing plan. Let us tackle our national education problems by sending the resources and dollars where they will do some good, to the local school districts, down into classrooms, where teachers and parents can apply those resources to teaching children, not lining the pockets of Washington bureaucrats. It is easy as all that.

I urge my colleagues to oppose the President's plan on national testing. This body should concentrate on increasing parental choice and involvement, not national testing.

FEDERAL INVESTIGATION INTO UNION PACIFIC

(Mr. SKELTON asked and was given permission to address the House for 1 minute.)

Mr. SKELTON. Mr. Speaker, the lead story on the radio last evening was the fact that there will be a Federal investigation into the Union Pacific because of its merger and the fact that the employees of Union Pacific are under such stress and fatigue because of the downsizing.

Let me point out that, as a result of testimony and actually visiting with young people in uniform of all services, there are stretches and strains and fatigue. The veterans of America understand this. The military retirees of America understand this. The parents of the young people understand this.

So let us not forget those young people today who are in uniform defending

America's interest regardless of whether they be here in the continental United States or ashore somewhere else, the stresses and strains under which they exist. Let us give them a word of encouragement, a word of thanks. Because they are a national treasure.

WHAT A-PLUS ACCOUNTS ARE REALLY ABOUT

(Mr. GUTKNECHT asked and was given permission to address the House for 1 minute.)

Mr. GUTKNECHT. Mr. Speaker, it is against the House rules to question the motives of other Members. But in the last several days, we heard our Democratic colleagues saying that the reason we want to pass A-Plus accounts is to harm public education. Does anybody really believe that?

Eighty-eight percent of America's schoolchildren attend public schools. I went to public schools my entire life. Two of my children graduated from public schools. I believe in public schools. What A-Plus accounts are really about is giving the same kinds of choices to poor families, like those here in Washington DC, that wealthier families have all across America. What is wrong with giving American families, American schoolchildren choices? That is what this is all about. It is about who decides.

Some of our Democratic friends wanted to have bigger bureaucracies here in Washington. They want more of the decisions made in Washington. But look at the Washington schools themselves. We are spending over $10,000 per student per year on the schools here in Washington, and they are arguably among the worst schools in the country.

What we want to do is allow those parents, whether in Washington, DC, or Baltimore or Minneapolis, to have the same kinds of choices that the wealthy people have.

AMERICANS DO NOT TRUST FEDERAL GOVERNMENT

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, poll after poll suggests a growing problem in America. Many Americans do not trust the Federal Government. Pollsters keep trying to figure it out. I believe it is not all that complicated.

In my opinion, the American people in growing numbers do not trust the Federal Government because many Americans believe that the Federal Government does not always tell the truth. The pollsters can constipate all they want over this issue. This is no brain surgery. It is very simple. No truth, no trust. Trust and truth are inseparable.

I yield back Waco, Ruby Ridge, Pan Am 103, and Camelot.

"PORKER OF THE WEEK" AWARD

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, those redesigned $50 bills are hot off the Bureau of Printing and Engraving presses. But what are we going to do with the more than $217 million in printing errors? That is right, many bills were rejected by the Federal Reserve because the fine concentric lines surrounding the portrait of Ulysses S. Grant were broken. This may seem like a minor flaw to some, but it is a major problem because the Treasury spent $15 million on an international education campaign touting the lines as a special feature added to thwart counterfeiters.

Most likely the only option for the Treasury Department is to destroy the flawed notes and start over. This will cost the taxpayers at least $16.3 million, $8.7 million for the misprinted bills, $360,000 to destroy them, and $7.2 million to reprint them.

If that is not bad enough, the Bureau of Printing and Engraving most recently purchased $50 million in printing equipment that it did not install in its Washington facility because they would have to have major renovation at that facility.

The Bureau of Printing and Engraving gets my "Porker of the Week" award.

STILL NO DEBATE ON CAMPAIGN FINANCE SYSTEM

(Mr. LUTHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUTHER. Mr. Speaker, here we are today, with only a week or two left before the scheduled planned adjournment of the House, and still no debate has occurred on cleaning up our campaign finance system in this country.

One of the big arguments used around here to have business as usual and to do nothing is that people do not care, it is not being demanded by the American people. Well, let us get it straight. The American people hired us to come to Washington to figure out what is wrong with the system and to fix it. Nearly everyone knows that the campaign finance system is broken and needs to be repaired, that it needs to be cleaned up.

So let us do our job. Let us do the job we were hired to do by the American people. Let us debate this issue. Let us pass a tough, comprehensive campaign finance reform bill. Mr. Speaker, we must not adjourn this Congress until we have done our job.

PARENTS NEED MORE CHOICE IN PUBLIC SCHOOLS

(Mr. ROGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGAN. Mr. Speaker, the next time those opponents of parental choice in education on the other side argue that the Federal Government should be running our public schools instead of giving parents more local control, I hope that they will consider these recently released facts.

Last year, new rigorous exams were given to 130,000 elementary school children. The performance results were dismal. Only 39 percent of 8th graders and 33 percent of 4th graders had any kind of basic understanding in reading and writing. New reports also show that 75 percent of American college students are struggling with high school-level math. One textbook expert said, "There is no question that every time we adopt a textbook, the reading level of the book is lower than the last."

Yesterday, the Washington Times did an editorial that hit the nail directly on the head. They said that, "Phonics is out, whole language is in, spelling primers and spelling bees are passe, invented spelling is the vogue. Self-esteem reigns supreme. The education establishment, the bureaucrats, and the unions still reject rigorous teaching of a rigorous curriculum in favor of the feel-good fuzziness that got us into this mess in the first place."

Mr. Speaker, we will never correct this deficiency until parents, and not Washington bureaucrats, have the say in the education of our precious children.

SENATOR BOB DOLE SHOULD EXPLAIN HIS INVOLVEMENT WITH CHILE

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute.)

Mr. BROWN of Ohio. Mr. Speaker, Legal Times this week reports how Bob Dole has gone to great lengths to avoid having to register as a lobbyist or file as a foreign agent. The fact is Senator Dole is clearly working on behalf of Chilean interests against United States salmon farmers in a trade dispute. He has visited salmon farmers in Chile, met with the President in Chile, and met with the Foreign Minister of Chile. At the same time, he is taking sides in the fast-track debate, writing op-ed pieces for the New York Times and speaking outside on the issue.

Legal Times illustrates how former Senator Dole is taking great care not to cross the line into lobbying or working as a foreign agent. One possible reason is that if Mr. Dole were to cross that line, he would not be able to make his loan to bail out the gentleman from Georgia [Mr. GINGRICH]. If Dole were a

lobbyist or a foreign agent, the loan to the gentleman from Georgia [Mr. GINGRICH] would be a violation of the gift ban.

Mr. Speaker, Senator Dole should explain his involvement with Chile to the American people.

EDUCATION IS MATTER OF RIGHT VERSUS WRONG

(Ms. GRANGER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. GRANGER. Mr. Speaker, Benjamin Disraeli once said, "The fate of our Nation depends on the education of our children." I rise this morning because I believe we can do a much better job of planning for our Nation's future through education.

That is why I am so pleased that today Congress is considering important education proposals like the Charters School Amendments Act and the Help Scholarships Act. These proposals are part of a positive, profamily education agenda. All are aimed at improving schools. All are aimed at educating children.

As we begin this century, let us begin a renewed commitment. Let us commit ourselves to having schools that are safe and curriculum that is sound. Let us commit ourselves to having teachers who know the subject they are teaching and the name of the child they are teaching it to. And let us commit ourselves to having our children learn to read so they can read to learn for a lifetime.

Mr. Speaker, too often in Washington we talk about issues in terms of politics. But this issue is different. Education is not a matter of right versus left; it is a matter of right versus wrong. And it is always the right time to do the right thing. Let us support these initiatives. Let us support our schools. And let us support our children.

DORNAN-SANCHEZ ELECTION

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, the Republican leadership has spent 10 months and more than $500,000 investigating the election of our colleague, the gentlewoman from California [Ms. SANCHEZ]. This money could have been better spent providing immunizations for 3,000 children or providing prenatal care for 450 pregnant women.

What is most disturbing about this investigation is that the Republican leadership seems to be focusing on this race because it is a seat held by a Democratic Hispanic woman and Hispanic voters might have made the difference in this election. Other closer elections last year for Congress did not result, did not result, in similar investigations. This, unfortunately, is only the latest example of the Republican Party's attempts to suppress Hispanic voting and to intimidate Hispanic voters.

The latest move to turn this investigation back to the Republican Secretary of State in California is clearly another attempt to prolong this partisan witch hunt.

The gentlewoman from California [Ms. SANCHEZ] won this election fair and square. The people of the 46th deserve to have her undivided attention. Let us bring an end to this investigation.

□ 0915

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. FURSE. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, as a member of Congress whose election in 1994 was won by far smaller a majority than that which Ms. Sanchez won the 46th District race in 1996; and

Whereas, as an immigrant myself who proudly became a U.S. citizen in 1972, I believe that this Republican campaign of intimidation sends a message to new citizens that their voting privilege may be subverted. We should encourage new voters not chill their enthusiasm; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, that unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore [Mr. SHIMKUS]. Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within 2 legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from Oregon [Ms. FURSE] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mrs. MINK of Hawaii. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of usually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now persuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, due process requires that this intimidation and inquisition of the voters of California's 46th Congressional District end, because to prolong it is to flaunt the basic principles of justice;

Whereas, hundreds of thousands of taxpayers dollars have been spent on this fruitless search; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, that unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from Hawaii [Mrs. MINK] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mrs. MALONEY of New York. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now perusing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, after 10 months and the expenditure of $500,000, the House investigation has turned up no evidence of fraud and has wasted taxpayer money; and

Whereas the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, that unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from New York [Mrs. MALONEY] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. SLAUGHTER. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a

resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgements concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, the House Oversight Committee passed a resolution demanding that the U.S. Attorney file criminal charges against private citizens, despite the fact that Congress has no authority to enforce legislation;

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from New York [Ms. SLAUGHTER] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

□ 0930

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. DELAURO. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana Zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgements concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, the continued Sanchez probe unfairly targets Hispanic-Americans and discourages their full participation in the democratic process.

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from Connecticut [Ms. DELAURO] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. VELÁZQUEZ. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan has been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residence for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgements concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas these allegations represent a direct attack on the latino community and an attempt to silence the voice of latino voters,

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from New York (Ms. VELÁZQUEZ) will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. JACKSON-LEE of Texas. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marine barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgements concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, Mr. Dornan's unproven allegations and the action's of Republicans have created an enormously chilling effect on the voting rights of Hispanic-Americans and other minority Americans: therefore targeting them unfairly; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and: Now therefore be it

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from Texas [Ms. JACKSON-LEE] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. DANNER. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committee's possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make the judgements concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, on September 24, 1997, the House Oversight Committee passed a resolution demanding that criminal charges be brought against private citizens even though Congress lacks criminal enforcement powers and cannot compel compliance with subpoenas; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from Missouri [Ms. DANNER] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

□ 0945

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. CARSON. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

Mr. Speaker, I ask unanimous consent that the form of the resolution appear in the RECORD at this point.

The SPEAKER pro tempore (Mr. SHIMKUS). Is there objection to the request of the gentlewoman from Indiana?

There was no objection.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from Indiana will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. LOFGREN. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California

met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas allegations made by the losing candidate, Mr. Dornan, of voter fraud in fact were revealed to be legitimate voters living at a Marine barracks, sisters living at their nunnery as well as the zookeeper at the Santa Ana zoo

Whereas for the first time in any election in the history of the United States the INS has been asked to verify the citizenship of voters, a task that the INS is unable to accomplish with accuracy, precision or certainty with the immigration records available to them.

Whereas the Committee on House Oversight has had nearly a year to present credible evidence of fraud sufficient to change the outcome of the election to the House of Representatives

Whereas the Committee on House Oversight is pursuing a seemingly never ending and apparently unsubstantiated review of this matter reminding observers of the famous Dickens novel "Bleak House"

And Whereas the House has a right to expect this matter to be resolved professionally as well as promptly and certainly before half of Congresswoman Sanchez' term of office has passed

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly notices.

Pending that designation, the form of the resolution noticed by the gentlewoman from California will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. WOOLSEY. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California, and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committee's possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgements concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, the Oversight Committee has not challenged the results of any other Members' elections, even though many other Members won their election by slimmer margins; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from California will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on

that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committee's possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas I watched Loretta Sanchez become a marvelous, energetic Representative of the 46th District of California during the five months she shared my apartment with me; and

Whereas continuing this never ending attack on her election is wrong for this woman who wants to serve her constituents to the best of her ability; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, that unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from Texas will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mrs. KENNELLY of Connecticut. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

Whereas Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman SANCHEZ'S election to Congress; and whereas I watched LORETTA SANCHEZ become a marvelous, energetic Representative of the 46th District of California during the 5 months she shared my apartment with me; and whereas continuing this never-ending attempt on her election is wrong, for this woman who wants to serve her constituents to the best of her ability, and whereas the Committee on House Oversight should complete its review of this matter and bring this contest to an end.

Mr. Speaker, I ask unanimous consent that the form of the resolution appear in the RECORD at this point.

The SPEAKER pro tempore. Without objection, the resolution will be included for the RECORD.

There was no objection.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, DC on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, DC; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit; charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgements concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas I watched Loretta Sanchez become a marvelous, energetic Representative of the 46th District of California during the five months she shared my apartment with me; and

Whereas continuing this never ending attack on her election is wrong for this woman who wants to serve her constituents to the best of her ability; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and: Now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from Connecticut will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. KILPATRICK. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, DC on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, DC; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas The Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, as taxpayers of our nation face cuts in Medicare, Medicaid, Legal Services, Section 8 Housing assistance, and other areas of the social safety net have been frayed because of these reductions, close to half a million dollars of the people's money have been spent in an investigation that has resulted in absolutely no proof of fraud, and that the Honorable Loretta Sanchez has been duly seated by the State of California to represent the 46th Congressional District: Now therefore be it

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from Michigan will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mrs. THURMAN. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

Whereas the people of the 46th District of California deserve an end to this uncertainty, and the people of the United States should not have to expend additional funds for an endless investigation.

Mr. Speaker, I ask unanimous consent that the form of the resolution appear in the RECORD at this point.

The SPEAKER pro tempore. Without objection, the remainder of the resolution will be placed in the RECORD.

There was no objection.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United states that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months, and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is not pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgments concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from Florida will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. STABENOW. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, the Committee on House Oversight passed a resolution demanding the U.S. attorney to bring criminal charges against a private organization, despite the fact that it

is beyond the power of Congress to compel compliance with subpoenas; and whereas the Committee on House Oversight should complete its review of this matter and bring this contest to an end; now therefore be it resolved that unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

Ms. STABENOW. Mr. Speaker, I ask unanimous consent that the form of the resolution appear in the RECORD at this point.

The SPEAKER pro tempore. Without objection, the remainder of the resolution will be placed in the RECORD.

There was no objection.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizens of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now persuing a duplicate and dilatory review of materials already in the Committee possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make judgements concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and it pursuing never ending and unsubstantiated of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, the Committee on House Oversight passed a resolution demanding the U.S. Attorney to bring criminal charges against a private organization, despite the fact that it is beyond the power of Congress to compel compliance with subpoenas; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from Michigan will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. HOOLEY of Oregon. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

Whereas the House Oversight Committee has not specified sufficient votes to bring into question the certified 984-vote margin by which LORETTA SANCHEZ won her election, and Mr. Speaker, I ask unanimous consent that the form of the resolution appear in the RECORD at this point.

The SPEAKER pro tempore. Without objection, the remainder of the resolution will be placed in the RECORD.

There was no objection.

The form of the resolution is as follows:

Whereas Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charged of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals, including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make the judgements concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, the House Oversight Committee has not specified sufficient votes to bring into question the certified 984-vote margin by which Loretta Sanchez won her election; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the

contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from Oregon [Ms. HOOLEY] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

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ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mrs. MEEK of Florida. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, in violation of constitutionally defined separation of powers, principles, the Committee on House Oversight passed a resolution demanding the Department of Justice to bring criminal charges against an organization of private citizens.

Mr. Speaker, I ask unanimous consent that the remainder of the resolution be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida.

There was no objection.

The remainder of the resolution is as follows:

Whereas Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charged of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the record seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make the judgements concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, in violation of Constitutionally-defined separation of powers principles, the Committee on House Oversight passed a resolution demanding the Department of Justice to bring criminal charges against an organization of private citizens; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from Florida (Mrs. MEEK) will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. ROYBAL-ALLARD. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas the Committee on House Oversight passed a resolution, House Resolution 244, purporting to demand that criminal charges be brought against an organization of private citizens, despite the fact that Congress has no power to compel compliance with subpoenas; and whereas the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it.

Resolved that unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

Mr. Speaker, I ask unanimous consent that the form of the resolution appear in the RECORD at this point.

The SPEAKER pro tempore. Without objection, the resolution will appear in the RECORD.

There was no objection.

The text of the resolution is as follows:

Whereas Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the records seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make the judgements concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, the House Oversight Committee passed a resolution H.Res 244, purporting to demand that criminal charges be brought against an organization of private citizens, despite the fact that Congress has no power to compel compliance with subpoenas; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from California [Ms. ROYBAL-ALLARD] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

PROVIDING FOR CONSIDERATION OF H.R. 2746, HELPING EMPOWER LOW-INCOME PARENTS (HELP) SCHOLARSHIPS AMENDMENTS OF 1997 AND H.R. 2616, CHARTER SCHOOLS AMENDMENTS OF 1997

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 288 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 288

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 2746) to amend title VI of the Elementary and Secondary Education Act of 1965 to give parents with low-incomes the opportunity to choose the appropriate school for their children. The bill shall be considered as read for amendment. The bill shall be debatable for two hours equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce. The previous question shall be considered as ordered on the bill to final passage without intervening motion except one motion to recommit.

SEC. 2. After disposition of the bill (H.R. 2746), the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2616) to amend titles VI and X of the Elementary and Secondary Education Act of 1965 to improve and expand charter schools. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Education and the Workforce now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. Before consideration of any other amendment it shall be in order to consider the amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Goodling of Pennsylvania or his designee. That amendment shall be considered as read, shall be debatable for ten minutes equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. If that amendment is adopted, the committee amendment in the nature of a substitute, as amended, shall be considered as the original bill for the purpose of further amendment. During consideration of the bill for further amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be fifteen minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 3. (a) In the engrossment of H.R. 2616, the Clerk shall—

(1) add the text of H.R. 2746, as passed by the House, as new matter at the end of H.R. 2616;

(2) conform the title of H.R. 2616 to reflect the addition of the text of H.R. 2746 to the engrossment;

(3) assign appropriate designations to provisions within the engrossment; and

(4) conform provisions for short titles within the engrossment.

(b) Upon the addition of the text of H.R. 2746 to the engrossment of H.R. 2616, H.R. 2746 shall be laid on the table.

SEC. 4. House Resolution 280 is laid on the table.

The SPEAKER pro tempore (Mrs. EMERSON). The gentlewoman from North Carolina [Mrs. MYRICK] is recognized for 1 hour.

Mrs. MYRICK. Madam Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio [Mr. HALL], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, Wednesday, the Committee on Rules met and reported House Resolution 288, which will provide a rule for consideration of two bills before us today. The first is a closed rule for the consideration of H.R. 2746, the HELP Scholarships Amendments Act of 1997.

That rule provides for 2 hours of debate on the bill, equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce. The rule provides one motion to recommit.

The second bill in the resolution, H.R. 1616, the Charter Schools Amendments of 1997, will be considered under an open rule. The rule provides for 1 hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce. It further makes in order a Committee on Education and the Workforce amendment in the nature of a substitute as an original bill for the purpose of amendment which shall be considered as read.

A manager's amendment printed in the report of the Committee on Rules, if offered by the gentleman from Pennsylvania [Mr. GOODLING], the chairman, or his designee, is made in order by the rule. That amendment is considered as read, is not subject to amendment or to a division of the question, is debatable for 10 minutes, equally divided between a proponent and an opponent, and if adopted is considered as part of the base text for further amendment purposes.

The Chair may give priority recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD. Votes may be postponed during consideration of the bill and reduced to 5 minutes if the postponed vote follows a 15-minute vote. One motion to recommit with or without instructions is provided.

House Resolution 288 further provides in the engrossment of H.R. 2616, the Clerk shall add the text of H.R. 2746 as passed by the House, as a new matter at the end of H.R. 2616, and make conforming and designation changes within the engrossment.

Following engrossment, H.R. 2746 shall be laid on the table. That is, should the HELP Scholarships bill pass today, it will be combined with the Charter Schools bill, provided that it passes, when it is sent to the other body.

The final section of House Resolution 288 provides that House Resolution 280 is laid on the table. House Resolution 280 is a resolution providing for the consideration of the Nuclear Waste Policy Act which was never used. This small provision in House Resolution 288 is a technical committee cleanup procedure and has no bearing on the consideration of H.R. 2746 or H.R. 2616.

Mr. Speaker, I want to be clear about what will happen if this resolution is passed. It will allow for separate consideration of the HELP Scholarships bill and the Charter Schools bill. Each bill would be debated under separate rules. If they both pass, they will be put together in a package and sent to the other body for consideration.

Members will have an opportunity to vote individually on each bill. This resolution merely allows us to take them both up today.

Mr. Speaker, this resolution is not a vote on vouchers as some may lead Members to believe. It is a vote to determine if this body wants to bring these two important bills to the floor for a debate. I hope my colleagues support this resolution so that we can have an important debate about education in America.

During consideration of House Resolution 288 in the Committee on Rules, there was some discussion about the way the HELP Scholarships bill is being brought to the floor. I would like to take this opportunity to explain the reason for this process, and I plan to yield time to the gentleman from California [Mr. RIGGS], the chairman of the Subcommittee on Early Childhood, Youth and Families, which has jurisdiction over this matter, so that he may offer further clarification about the process which brought the HELP Scholarships to the floor.

When the Charter Schools bill was being crafted, the original intent was to add HELP Scholarships to the bill as an amendment. However, the Charter Schools bill evolved as a very bipartisan one, particularly due to the hard work of the gentleman from Indiana [Mr. ROEMER]. Thus, in the spirit of bipartisanship, the decision was made to not offer the HELP Scholarships language as an amendment.

Today we are again going to debate the future of education in America. I believe that it is the duty of all Americans to ensure our children are well educated and prepared for the future. I also believe that low-income families should have the same opportunity to send their children to safe, effective schools as rich families. This is about children.

The crisis in American education today especially affects children in elementary and secondary education. The education system is failing them and leaving too many children unprepared for the future.

Mr. Speaker, I ask my colleagues to consider the following: 40 percent of all 10-year-olds cannot meet basic literacy standards; eighth graders recently placed 28th in the world in math and science skills; over 60 percent of 17-year-olds cannot read as well as they should; and 2,000 acts of violence take place in schools every day. Children in Los Angeles are taught a drill to protect themselves at the sound of gunfire, and almost one-third of freshmen entering college require some sort of remedial instruction.

We have a moral obligation to fix these problems and without bold new ideas and innovative solutions we never will.

The first bill, H.R. 2746, the Helping Empower Low-Income Parents Scholarships Amendment Act of 1997, is a very controversial issue, but one I wholeheartedly support. The bill empowers low-income parents living in poverty-stricken areas to send their children to the best schools that they see fit. Specifically, it permits State educational agencies and local educational agencies to use their title VI education block grant funds for public and private school choice at the State and local levels, and this is purely voluntary. In order to access these funds, the State legislature must enact school choice legislation. The bill further stipulates that the school choice program would be in low-income communities and be limited to low-income families.

Last week, we passed a bill that allows families to use money from an education savings account for school-related expenses. Many people opposed to the bill said that their opposition was based on the fact that it would not benefit the poor. Well, I did not agree with them on that issue; they now have an opportunity to vote on a bill that is designed specifically for the poor. I hope that they will join me in support of this bill and will empower the very people they claimed to defend last week.

Mr. Speaker, others have raised questions about the constitutionality of HELP Scholarships. As long as the decision about where the funds are spent is in the hands of individual students or parents, and as long as the program does not discriminate, a choice plan is likely to survive a constitutional challenge.

The Federal Government already provides grants to students at private and religious colleges. Pell grants are awarded to college students based on financial needs and Pell grants are accepted at numerous private and religious schools. I have heard many of my colleagues fight hard for Pell grants, and I hope that those same people will come to the floor today and support a similar idea that will allow students based on financial need the same opportunity for elementary and secondary education.

In addition to Pell grants, the Federal Government allows the GI bill to cover tuition at seminaries. That is Federal money going to religious education, not just to a religious school. I do not hear any of my colleagues clamoring to take this ability away from recipients of the GI bill.

I ask my colleagues, is that not Federal money? Is that not money going to private and religious schools? What is the difference?

The best part about programs like HELP Scholarships is that they work. Elementary school students in Milwaukee who participated in the Nation's first school voucher program scored higher in reading and math than those who stayed in public schools.

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The school choice option we are offering today is steadily gaining support across the Nation. A survey conducted by USA Today, CNN, and Gallup poll found that 54 percent of Americans favored vouchers. A majority of the grassroots organizations supporting education vouchers and school choice programs are from minority communities.

A survey conducted by the joint center for political and economic studies found that 57 percent of African-Americans supported school vouchers for public, private, or parochial school. This is not surprising since black children in urban areas are the most endangered by the failures of public education. In fact, support among African

Americans for education reform is fast outstripping the growth of enthusiasm among whites.

The argument that public education is the greatest equalizer is unfortunately falling on deaf ears in the poorest neighborhoods. That is where the schools are the worst. Large numbers of public schools in these areas are exclusive and segregated. Ironically, private religious schools in many urban areas are more consistent with the original concept of public education bringing together children of widely differing social and economic backgrounds. The HELP scholarships will allow more of these children to get the quality education they deserve. They very well may be the real equalizer of the future.

This resolution also grants a rule for consideration of H.R. 2616, the Charter Schools Amendment Act of 1997. This is somewhat less controversial. It enjoys broad bipartisan support and also deserves the support of all my colleagues.

Charter schools are innovative public schools which are set free from burdensome regulations and held accountable for their results. Since the inception of charter schools in Minnesota 6 years, ago the idea has swept the Nation. Currently, 29 States, the District of Columbia and Puerto Rico have charter schools. Though this is a new concept, it is helping to transform public education in a way that is beneficial to the children that attend them. Parental satisfaction is high, students are eager to learn, teachers can enjoy their jobs again, administrators are freed from the shackles of suffocating regulation, and more money is getting to the classroom where it belongs.

In light of this success, we need to expand the current program so that we can reach more children in more communities. This bill is a good one that carefully targets the new money. It directs money to those States that provide a high degree of fiscal autonomy, allow for increases in the number of charter schools from year to year and provide for accountability. It also increases the number of years a charter school can get a grant from 3 to 5 years. This bill also stipulates that 95 percent of the Federal charter schools money goes to State and local level. That way we can be sure the Federal bureaucracy is not wasting money that is intended for the kids.

Finally, the bill directs the Secretary of Education to make sure that charter schools are on level ground so that they will receive their fair share of Federal categorical aid such as title I and special education funding. The Secretary is also directed to assist charter schools in accessing private capital.

I am excited about both of the bills this resolution brings to the floor, and I know that many of my colleagues do not share my enthusiasm. They have had philosophical disagreements with the intent of these new and innovative ideas. This resolution accommodates them. It allows for a separate vote on each bill. It allows them to vote their conscience without having to compromise their philosophical beliefs. I urge my colleagues to support House Resolution 288 so that we may have a spirited debate on the important issues facing America's families.

Madam Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Madam Speaker, I yield such time as she may consume to the gentlewoman from Missouri [Ms. MCCARTHY].

(Ms. MCCARTHY asked and was given permission to proceed out of order.)

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. MCCARTHY of Missouri. Madam Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of House.

I ask unanimous consent that the form of the resolution appear in the RECORD at this point.

The SPEAKER pro tempore (Mrs. EMERSON). Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charges of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the record seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committee's possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make the judgements concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, the Committee on House Oversight has demanded that the Justice Department bring criminal charges against Hermandad Mexicana Nacional, even through it is beyond the Constitutionally-defined powers of Congress to compel compliance with subpoenas; and

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Under rule IX a resolution offered from the floor by a Member other than the majority leader or minority leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within 2 legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from Missouri will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

Mr. HALL of Ohio. Madam Speaker, I yield myself such time as I may consume.

I thank my colleague from North Carolina [Mrs. MYRICK] for yielding this time to me.

This resolution in my opinion is a hybrid rule. It provides for the consideration of H.R. 2746, which is the Helping Empower Low-Income Parents

Scholarship Amendments of 1997 under a closed rule. The resolution also provides for the consideration of H.R. 2616, the Charter Schools Amendments of 1997. This is under an open rule.

H.R. 2746 permits title VI education block grant funds to pay for educational vouchers that low-income parents can use at public or private schools. H.R. 2616 authorizes funds to start up charter schools.

As my colleague from North Carolina has described, this rule provides 2 hours of general debate for H.R. 2746, and 1 hour for H.R. 2616.

H.R. 2746 was introduced just 2 days ago. There were no hearings, committee markups, or committee reports. This closed rule effectively guarantees that no Member will have a chance to offer amendments.

Madam Speaker, the use of public money for educational vouchers that can be used in private schools is a very dominant issue facing our country today and facing public education, especially. It is very controversial. Passions run deep on both sides. To consider a bill on this subject with no hearings, no committee action, and no amendments on the House floor shows disrespect for the democratic process and contempt for Members who want to help shape this important legislation.

Madam Speaker, I urge Members to defeat the previous question and if the previous question is defeated, I will offer an amendment to make in order a substitute bill offered by the gentleman from Missouri [Mr. CLAY], ranking minority member of the Committee on Education and the Workforce. Only by defeating the previous question will the gentleman from Missouri [Mr. CLAY] have the opportunity to amend this act.

I urge Members to vote "no" on the previous question.

Madam Speaker, I include for the RECORD the following:

TEXT OF PREVIOUS QUESTION AMENDMENT TO H. RES. 288 H.R. 2746 (H.E.L.P.)—H.R. 2616 (CHARTER SCHOOLS)

On page 2, line 13 of H. Res. 288 after "except" insert the following:

"1) the amendment printed in sec. of this resolution if offered by Representative Clay or his designee, which shall be in order without intervention of any point of order or demand for division of the question, shall be considered as read and shall be separately debatable for sixty minutes equally divided and controlled by the proponent and an opponent and 2)"

At the end of the resolution add the following new section:

"Sec. (see accompanying text of Clay substitute)"

Strike Section 3 and renumber Section 4.

Amendment in the Nature of a Substitute to H.R. 2746

Offered by Mr. Clay of Missouri

Strike all after the enacting clause and insert the following:

TITLE I—GENERAL PROVISIONS

PART 1—PROGRAM AUTHORIZED FINDINGS AND PURPOSE

SEC. 101. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) According to the General Accounting Office, one-third of all elementary and secondary schools in the United States, serving 14,000,000 students, need extensive repair or renovation.

(2) 7,000,000 children attend schools with life safety code problems.

(3) School infrastructure problems exist across the country in urban and nonurban schools; at least 1 building is in need of extensive repair or replacement in 38 percent of urban schools, 30 percent of rural schools, and 29 percent of suburban schools.

(4) Many States and school districts will need to build new schools in order to accommodate increasing student enrollments; the Department of Education has predicted that the Nation will need 6,000 more schools by the year 2006.

(5) Many schools do not have the physical infrastructure to take advantage of computers and other technology needed to meet the challenges of the next century.

(6) While school construction and maintenance are primarily a State and local concern, States and communities have not, on their own, met the increasing burden of providing acceptable school facilities for all students, and low-income communities have had the greatest difficulty meeting this need.

(7) The Federal Government, by providing interest subsidies and similar types of support, can lower the costs of State and local school infrastructure investment, creating an incentive for States and localities to increase their own infrastructure improvement efforts and helping ensure that all students are able to attend schools that are equipped for the 21st century.

(b) PURPOSE.—The purpose of this title is to provide Federal interest subsidies, or similar assistance, to States and localities to help them bring all public school facilities up to an acceptable standard and build the additional public schools needed to educate the additional numbers of students who will enroll in the next decade.

SEC. 102. DEFINITIONS.

Except as otherwise provided, as used in this title, the following terms have the following meanings:

(1) COMMUNITY SCHOOL.—The term "community school" means a school facility, or part of a school facility, that serves as a center for after-school and summer programs and delivery of education, tutoring, cultural, and recreational services, and as a safe haven for all members of the community by—

(A) collaborating with other public and private nonprofit agencies (including libraries and other educational, human-service, cultural, and recreational entities) and private businesses in the provision of services;

(B) providing services such as literacy and reading programs, senior citizen programs, children's day care services; nutrition services, services for individuals with disabilities, employment counseling, training, and placement, and other educational, health, cultural, and recreational services; and

(C) providing those services outside the normal school day and school year, such as through safe and drug-free safe havens for learning.

(2) CONSTRUCTION.—(A) The term "construction" means—

(i) the preparation of drawings and specifications for school facilities;

(ii) erecting, building, acquiring, remodeling, renovating, improving, repairing, or extending school facilities;

(iii) demolition in preparation for rebuilding school facilities; and

(iv) the inspection and supervision of the construction of school facilities.

(B) The term "construction" does not include the acquisition of any interest in real property.

(3) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the meaning given that term in section 14101(18) (A) and (B) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801(18) (A) and (B)).

(4) SCHOOL FACILITY.—(A) The term "school facility" means—

(i) a public structure suitable for use as a classroom, laboratory, library, media center, or related facility, whose primary purpose is the instruction of public elementary or secondary students; and

(ii) initial equipment, machinery, and utilities necessary or appropriate for school purposes.

(B) The term "school facility" does not include an athletic stadium, or any other structure or facility intended primarily for athletic exhibitions, contests, games, or events for which admission is charged to the general public.

(5) SECRETARY.—The term "Secretary" means the Secretary of Education.

(6) STATE.—The term "State" means each of the 50 States and the Commonwealth of Puerto Rico.

(7) STATE EDUCATIONAL AGENCY.—The term "State educational agency" has the meaning given that term in section 14101(28) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801(28)).

SEC. 103. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title $5,000,000,000 for fiscal year 1998 and such sums as may be necessary for each succeeding fiscal year.

SEC. 104. ALLOCATION OF FUNDS.

(a) ALLOCATION OF FUNDS.—Of the amounts appropriated to carry out this title, the Secretary shall make available—

(1) 49 percent of such amounts for formula grants to States under section 111;

(2) 34 percent of such amounts for direct formula grants to local educational agencies under section 126;

(3) 15 percent of such amounts for competitive grants to local educational agencies under section 127; and

(4) 2 percent of such amounts to provide assistance to the Secretary of the Interior as provided in subsection (b).

(b) RESERVATION FOR THE SECRETARY OF THE INTERIOR AND THE OUTLYING AREAS.—

(1) Funds allocated under subsection (a)(4) to provide assistance to the Secretary of the interior shall be used—

(A) for the school construction priorities described in section 1125(c) of the Education Amendments of 1978 (25 U.S.C. 2005(c)); and

(B) to make grants to American Samoa, Guam, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, in accordance with their respective needs, as determined by the Secretary.

(2) Grants provided under subsection (b)(1)(B) shall be used for activities that the Secretary determines best meet the school infrastructure needs of the areas identified in that paragraph, subject to the terms and conditions, consistent with the purpose of this title, that the Secretary may establish.

PART 2—GRANTS TO STATES

SEC. 111. ALLOCATION OF FUNDS.

(a) FORMULA GRANTS TO STATES.—Subject to subsection (b), the Secretary shall allocate the funds available under section 104(a)(1) among the States in proportion to the relative amounts each State would have received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year if the Secretary had disregarded the numbers of children counted under that subpart who were enrolled in schools of local educational agencies that are eligible to receive direct grants under section 126 of this title.

(b) ADJUSTMENTS TO ALLOCATIONS.—The Secretary shall adjust the allocations under subsection (a), as necessary, to ensure that, of the total amount allocated to States under subsection (a) and to local educational agencies under section 126, the percentage allocated to a State under this section and to localities in the State under section 126 is at least the minimum percentage for the State described in section 1124(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6334(d)) for the previous fiscal year.

(c) REALLOCATIONS.—If a State does not apply for its allocation, applies for less than its full allocation, or fails to submit an approvable application, the Secretary may reallocate all or a portion of the State's allocation, as the case may be, to the remaining States in the same proportions as the original allocations were made to those States under subsections (a) and (b).

SEC. 112. STATE ADMINISTRATION.

The Secretary shall award each State's grant to the State educational agency to administer the State grant, or to another public agency in the State designated by the State educational agency if the State educational agency determines that the other agency is better able to administer the State grant.

SEC. 113. ALLOWABLE USES OF FUNDS.

Each State shall use its grant under this part only for 1 or more of the following activities to subsidize the cost of eligible school construction projects described in section 114:

(1) Providing a portion of the interest cost (or of another financing cost approved by the Secretary) on bonds, certificates of participation, purchase or lease arrangements, or other forms of indebtedness issued or entered into by a State or its instrumentality for the purpose of financing eligible projects.

(2) State-level expenditures approved by the Secretary for credit enhancement for the debt or financing instruments described in paragraph (1).

(3) Making subgrants, or making loans through a State revolving fund, to local educational agencies or (with the agreement of the affected local educational agency) to other qualified public agencies to subsidize—

(A) the interest cost (or another financing cost approved by the Secretary) of bonds, certificates of participation, purchase or lease arrangements, or other forms of indebtedness issued or entered into by a local educational agency or other agency or unit of local government for the purpose of financing eligible projects; or

(B) local expenditures approved by the Secretary for credit enhancement for the debt or financing instruments described in subparagraph (A).

(4) Other State and local expenditures approved by the Secretary that leverage funds for additional school construction.

SEC. 114. ELIGIBLE CONSTRUCTION PROJECTS; PERIOD FOR INITIATION

(a) ELIGIBLE PROJECTS.—States and their subgrantees may use funds under this part, in accordance with section 113, to subsidize the cost of—

(1) construction of elementary and secondary school facilities in order to ensure the health and safety of all students, which may include the removal of environmental hazards, improvements in air quality, plumbing, lighting, heating, and air conditioning, electrical systems, or basic school infrastructure, and building improvements that increase school safety;

(2) construction activities needed to meet the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) or of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.);

(3) construction activities that increase the energy efficiency of school facilities;

(4) construction that facilitates the use of modern educational technologies;

(5) construction of new school facilities that are needed to accommodate growth in school enrollments; or

(6) construction projects needed to facilitate the establishment of community schools.

(b) PERIOD FOR INITIATION OF PROJECT.—(1) Each State shall use its grant under this part only to subsidize construction projects described in subsection (a) that the State or its localities have chosen to initiate, through the vote of a school board, passage of a bond issue, or similar public decision, made between July 11, 1996 and September 30, 2001.

(2) If a State determines, after September 30, 2001, that an eligible project for which it has obligated funds under this part will not be carried out, the State may use those funds (or any available portion of those funds) for other eligible projects selected in accordance with this part.

(c) REALLOCATION.—If the Secretary determines, by a date before September 30, 2001, selected by the Secretary, that a State is not making satisfactory progress in carrying out its plan for the use of the funds allocated to it under this part, the Secretary may reallocate all or part of those funds, including any interest earned by the State on those funds, to 1 or more other States that are making satisfactory progress.

SEC. 115. SELECTION OF LOCALITIES AND PROJECTS.

(a) PRIORITIES.—In determining which localities and activities to support with grant funds, each State shall give the highest priority to localities with the greatest needs, as demonstrated by inadequate educational facilities (particularly facilities that pose a threat to the health and safety of students), coupled with a low level of resources available to meet school construction needs.

(b) ADDITIONAL CRITERIA.—In addition to the priorities required by subsection (a), each State shall consider each of the following in determining the use of its grant funds under this part:

(1) The age and condition of the school facilities in different communities in the State.

(2) The energy efficiency and the effect on the environment of projects proposed by communities, and the extent to which these projects use cost-efficient architectural design.

(3) The commitment of communities to finance school construction and renovation projects with assistance from the State's grant, as demonstrated by their incurring indebtedness or by similar public or private commitments for the purposes described in section 114(a).

(4) The ability of communities to repay bonds or other forms of indebtedness supported with grant funds.

(5) The particular needs, if any, of rural communities in the State for assistance under this title.

(c) INELIGIBILITY FOR PART 2 SUBGRANTS.—Local educational agencies in the State that receive direct grants under section 126 shall be ineligible for a subgrant under this part.

SEC. 116. STATE APPLICATIONS.

(a) APPLICATION REQUIRED.—A State that wishes to receive a grant under this part shall submit through its State educational agency, or through an alternative agency described in section 112, an application to the Secretary, in the manner the Secretary may require, not later than 2 years after the date of enactment of this Act.

(b) DEVELOPMENT OF APPLICATION.—The State educational agency or alternative agency described in section 12, shall develop the State's application under this part only after broadly consulting with the State board of education, and representatives of local school boards, school administrators, and business community, parents, and teachers in the State about the best means of carrying out this part.

(c) STATE SURVEY.—(1) Before submitting the State's application, the State educational agency or alternative agency described in section 112, with the involvement of local school officials and experts in building construction and management, shall survey the needs throughout the State (including in localities receiving grants under part 3) for construction and renovation of school facilities, including, at a minimum—

(A) the overall condition of school facilities in the State, including health and safety problems;

(B) the capacity of the schools in the State to house projected enrollments; and

(C) the extent to which the schools in the State offer the physical infrastructure needed to provide a high-quality education to all students.

(2) A State need not conduct a new survey under paragraph (1) if it has previously completed a survey that meets the requirements of that paragraph and that the Secretary finds is sufficiently recent for the purpose of carrying out this part.

(d) APPLICATION CONTENTS.—Each State application under this part shall include—

(1) a summary of the results of the State's survey of its school facility needs, as described in subsection (c);

(2) a description of how the State will implement its program under this part;

(3) a description of how the State will allocate its grant funds, including a description of how the State will implement the priorities and criteria described in section 115;

(4)(A) a description of the mechanisms that will be used to finance construction projects supported by grant funds; and

(B) a statement of how the State will determine the amount of the Federal subsidy to be applied, in accordance with section 117(a), to each local project that the State will support;

(5) a description of how the State will ensure that the requirements of this part are met by subgrantees under this part;

(6) a description of the steps the State will take to ensure that local educational agencies will adequately maintain the facilities that are constructed or improved with funds under this part;

(7) an assurance that the State will use its grant only to supplement the funds that the State, and the localities receiving subgrants, would spend on school construction and renovation in the absence of a grant under this part, and not to supplant those funds;

(8) an assurance that, during the 4-year period beginning with the year the State receives its grant, the average annual combined expenditures for school construction by the State and the localities that benefit from the State's program under this part (which, at the State's option, may include private contributions) will be at least 125 percent of the average of those annual combined expenditures for that purpose during the 8 preceding years; and

(9) other information and assurances that the Secretary may require.

(e) WAIVER OF REQUIREMENT TO INCREASE EXPENDITURES.—The Secretary may waive or modify the requirement of subsection (d)(8) for a particular State if the State demonstrates to the Secretary's satisfaction that that requirement is unduly burdensome because the State or its localities have incurred particularly high level of school construction expenditures during the previous 8 years.

SEC. 117. AMOUNT OF FEDERAL SUBSIDY.

(a) PROJECTS FUNDED WITH SUBGRANTS.—For each construction project assisted by a State through a subgrant to a locality, the State shall determine the amount of the Federal subsidy under this part, taking into account the number or percentage of children from low-income families residing in the locality, subject to the following limits:

(1) If the locality will use the subgrant to help meet the costs of repaying bonds issued for a school construction project, the Federal subsidy shall be not more than one-half of the total interest cost of those bonds, determined in accordance with paragraph (4).

(2) If the bonds to be subsidized are general obligation bonds issued to finance more than 1 type of activity (including school construction), the Federal subsidy shall be not more than one-half of the interest cost for that portion of the bonds that will be used for school construction purposes, determined in accordance with paragraph (4).

(3) If the locality elects to use its subgrant for an allowable activity not described in paragraph (1) or (2), such as for certificates of participation, purchase or lease arrangements, reduction of the amount of principal to be borrowed, or credit enhancements for individual construction projects, the Federal subsidy shall be not more than one-half of the interest cost, as determined by the State in accordance with paragraph (4), that would have been incurred if bonds had been used to finance the project.

(4) The interest cost referred to in paragraphs (1), (2), and (3) shall be—

(A) calculated on the basis of net present value; and

(B) determined in accordance with an amortization schedule and any other criteria and conditions the Secretary considers necessary, including provisions to ensure comparable treatment of different financing mechanisms.

(b) STATE-FUNDED PROJECTS.—for a construction project under this part funded directly by the State through the use of State-issued bonds or other financial instruments, the Secretary shall determine the Federal subsidy in accordance with subsection (a).

(c) NON-FEDERAL SHARE.—A State, and localities in the State, receiving subgrants under this part, may use any non-Federal funds, including State, local, and private-sector funds, for the financing costs that are not covered by the Federal subsidy under subsection (a).

SEC. 118. SEPARATE FUNDS OR ACCOUNTS; PRUDENT INVESTMENT

(a) SEPARATE FUNDS OR ACCOUNTS REQUIRED.—Each State that receives a grant, and each recipient of a subgrant under this part, shall deposit the grant or subgrant proceeds in a separate fund or account, from which it shall make bond repayments and pay other expenses allowable under this part.

(b) PRUDENT INVESTMENT REQUIRED.—Each State that receives a grant, and each recipient of a subgrant under this part, shall—

(1) invest the grant or subgrant in a fiscally prudent manner, in order to generate amounts needed to make repayments on bonds and other forms of indebtedness described in section 113; and

(2) notwithstanding section 6503 of title 31, United States Code, or any other law, use the proceeds of that investment to carry out this part.

SEC. 119. STATE REPORTS.

(a) REPORTS REQUIRED.—Each State receiving a grant under this part shall report to the Secretary on its activities under this part, in the form and manner the Secretary may prescribe.

(b) CONTENTS.—Each report shall—

(1) describe the State's implementation of this part, including how the State has met the requirements of this part;

(2) identify the specific school facilities constructed, renovated, or modernized with support from the grant, and the mechanisms used to finance those activities;

(3) identify the level of Federal subsidy provided to each construction project carried out with support from the State's grant; and

(4) include any other information the Secretary may require.

(c) FREQUENCY.—(1) Each State shall submit its first report under this section not later than 24 months after it receives its grants under this part.

(2) Each State shall submit an annual report for each of the 3 years after submitting its first report, and subsequently shall submit periodic reports as long as the State or localities in the State are using grant funds.

PART 3—DIRECT GRANTS TO LOCAL EDUCATIONAL AGENCIES

SEC. 121. ELIGIBLE LOCAL EDUCATIONAL AGENCIES

(a) ELIGIBLE AGENCIES.—Except as provided in subsection (b), the local educational agencies that are eligible to receive formula grants under section 126 are the 100 local educational agencies with the largest numbers of children aged 5 through 17 from families living below the poverty level, as determined by the Secretary using the most recent data available from the Department of Commerce that are satisfactory to the Secretary.

(b) CERTAIN JURISDICTIONS INELIGIBLE.—For the purpose of this part, the local educational agencies for Hawaii and the Commonwealth of Puerto Rico are not eligible local educational agencies.

SEC. 122. GRANTEES.

For each local educational agency for which an approvable application is submitted, the Secretary shall make any grant under this part to the local educational agency or to another public agency, on behalf of the local educational agency, if the Secretary determines, on the basis of the local educational agency's recommendation, that the other agency is better able to carry out activities under this part.

SEC. 123. ALLOWABLE USES OF FUNDS.

Each grantee under this part shall use its grant only for 1 or more of the following activities to reduce the cost of financing eligible school construction projects described in section 124:

(1) Providing a portion of the interest cost (or of any other financing cost approved by the Secretary) on bonds, certificates of participation, purchase or lease arrangements, or other forms of indebtedness issued or entered into by a local educational agency or other unit or agency of local government for the purpose of financing eligible school construction projects.

(2) Local expenditures approved by the Secretary for credit enhancement for the debt or financing instruments described in paragraph (1).

(3) Other local expenditures approved by the Secretary that leverage funds for additional school construction.

SEC. 124. ELIGIBLE CONSTRUCTION PROJECTS; REDISTRIBUTION

(a) ELIGIBLE PROJECTS.—A grantee under this part may use its grant, in accordance with section 123, to subsidize the cost of the activities described in section 114(a) for projects that the local educational agency has chosen to initiate, through the vote of the school board, passage of a bond issue, or similar public decision, made between July 11, 1996 and September 30, 2001.

(b) REDISTRIBUTION.—If the Secretary determines, by a date before September 30, 2001 selected by the Secretary, that a local educational agency is not making satisfactory progress in carrying out its plan for the use of funds awarded to it under this part, the Secretary may redistribute all or part of those funds, and any interest earned by that agency on those funds, to 1 or more other local educational agencies that are making satisfactory progress.

SEC. 125. LOCAL APPLICATIONS.

(a) APPLICATION REQUIRED.—A local educational agency, or an alternative agency described in section 122 (both referred to in this part as the "local agency"), that wishes to receive a grant under this part shall submit an application to the Secretary, in the manner the Secretary may require, not later than 2 years after the date of enactment of this Act.

(b) DEVELOPMENT OF APPLICATION.—(1) The local agency shall develop the local application under this part only after broadly consulting with the State educational agency, parents, administrators, teachers, the business community, and other members of the local community about the best means of carrying out this part.

(2) If the local educational agency is not the applicant, the applicant shall consult with the local educational agency, and shall obtain its approval before submitting its application to the Secretary.

(c) LOCAL SURVEY.—(1) Before submitting its application, the local agency, with the involvement of local school officials and experts in building construction and management, shall survey the local need for construction and renovation of school facilities, including, at a minimum—

(A) the overall condition of school facilities in the local educational agency, including health and safety problems;

(B) the capacity of the local educational agency's schools to house projected enrollments; and

(C) the extent to which the local educational agency's schools offer the physical infrastructure needed to provide a high-quality education to all students.

(2) A local educational agency need not conduct a new survey under paragraph (1) if it has previously completed a survey that meets the requirements of that paragraph and that the Secretary finds is sufficiently recent for the purpose of carrying out this part.

(d) APPLICABLE CONTENTS.—Each local application under this part shall include—

(1) an identification of the local agency to receive the grant under this part;

(2) a summary of the results of the survey of school facility needs, as described in subsection (c);

(3) a description of how the local agency will implement its program under this part;

(4) a description of the criteria the local agency has used to determine which construction projects to support with grant funds;

(5) a description of the construction projects that will be supported with grant funds;

(6) a description of the mechanisms that will be used to finance construction projects supported by grant funds;

(7) a requested level of Federal subsidy, with a justification for that level, for each construction project to be supported by the grant, in accordance with section 128(a), including the financial and demographic information the Secretary may require;

(8) a description of the steps the agency will take to ensure that facilities constructed or improved with funds under this part will be adequately maintained;

(9) an assurance that the agency will use its grant only to supplement the funds that the locality would spend on school construction and renovation in the absence of a grant under this part, and not to supplant those funds;

(10) an assurance that, during the 4-year period beginning with the year the local educational agency receives its grant, its average annual expenditures for school construction (which, at that agency's option, may include private contributions) will be at least 125 percent of its average annual expenditures for that purpose during the 8 preceding years; and

(11) other information and assurances that the Secretary may require.

(e) WAIVER OF REQUIREMENT TO INCREASE EXPENDITURES.—The Secretary may waive or modify the requirement of subsection (d)(10) for a local educational agency that demonstrates to the Secretary's satisfaction that that requirement is unduly burdensome because that agency has incurred a particularly high level of school construction expenditures during the previous 8 years.

SEC. 126. DIRECT FORMULA GRANTS.

(a) ALLOCATIONS.—The Secretary shall allocate the funds available under section 104(a)(2) to the local educational agencies identified under section 121(a) on the basis of their relative allocations under section 1124 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333) in the most recent year for which that information is available to the Secretary.

(b) REALLOCATIONS.—If a local educational agency does not apply for its allocation, applies for less than its full allocation, or fails to submit an approvable application, the Secretary may reallocate all or a portion of its allocation, as the case may be, to the remaining local educational agencies in the same proportions as the original allocations were made to those agencies under subsection (a).

SEC. 127. DIRECT COMPETITIVE GRANTS.

(a) GRANTS AUTHORIZED.—The Secretary shall use funds available under section 104(a)(3) to make additional grants, on a competitive basis to local educational agencies, or alternative agencies described in section 122.

(b) ADDITIONAL APPLICATION MATERIALS.—Any local educational agency, or an alternative agency described in section 122, that wishes to receive funds under this section shall submit an application to the Secretary that meets the requirements under section 125 and includes the following additional information:

(1) The amount of funds requested under this section, in accordance with ranges or limits that the Secretary may establish based on factors such as relative size of the eligible applicants.

(2) A description of the additional construction activities that the applicant would carry out with those funds.

(3) A description of the extent to which the proposed construction activities would enhance the health and safety of students.

(4) A description of the extent to which the proposed construction activities address compliance with Federal mandates, including providing accessibility for the disabled and removal of hazardous materials.

(5) Information on the current financial effort the applicant is making for elementary and secondary education, including support from private sources, relative to its resources.

(6) Information on the extent to which the applicant will increase its own (or other public or private) spending for school construction in the year in which it receives a grant under this section, above the average annual amount for construction activity during the preceding 8 years.

(7) A description of the energy efficiency and the effect on the environment of the projects that the applicant will undertake and of the extent to which those projects will use cost-efficient architectural design.

(8) Other information that the Secretary may require.

(c) SELECTION OF GRANTEES.—In determining which local educational agencies shall receive direct grants under this part, the Secretary shall give the highest priority to local educational agencies that—

(1) have a need to repair, remodel, renovate, or otherwise improve school facilities posing a threat to the health and physical safety of students, coupled with a low level of resources available to meet school construction needs, and have demonstrated a high level of financial effort for elementary and secondary education relative to their local resources;

(2) have a need to repair, remodel, renovate, or construct school facilities in order to comply with Federal mandates, including providing for accessibility for the disabled and removal of hazardous materials, coupled with a low level of resources available to meet school construction needs, and have demonstrated a high level of financial effort for elementary and secondary education relative to their local resources; and

(3) demonstrate a need for emergency assistance to repair, remodel, renovate, or construct school facilities, coupled with a low level of resources available to meet school construction needs, and have demonstrated a high level of financial effort for elementary and secondary education relative to their local resources.

(d) MINIMUM ALLOCATIONS.—Of the amount available for competitive awards under section 104(a)(3), the Secretary shall ensure that, in making awards under subsection (a), no less than 40 percent of such amount is available to the local educational agencies described in section 121(a) and no less than 40 percent of such amount is available to the local educational agencies eligible for subgrants under part 2.

(e) ADDITIONAL CRITERIA.—The Secretary may establish additional criteria, consistent with subsections (c) and (d), and with purposes of this title, for the purpose of electing grantees under this part.

SEC. 128. AMOUNT OF FEDERAL SUBSIDY.

(a) AMOUNT OF FEDERAL SUBSIDY.—For each construction project assisted under this part, the Secretary shall determine the amount of the Federal subsidy in accordance with section 117(a).

(b) NON-FEDERAL SHARE.—A grantee under this part may use any non-Federal funds, including State, local, and private-sector funds, for the financing costs that are not covered by the Federal subsidy under subsection (a).

SEC. 129. SEPARATE FUNDS OR ACCOUNTS; PRUDENT INVESTMENT

(a) SEPARATE FUNDS OR ACCOUNTS REQUIRED.—Each grantee under this part shall deposit the grant proceeds in a separate fund or account, from which it shall make bond repayments and pay other expenses allowable under this part.

(b) PRUDENT INVESTMENT REQUIRED.—Each grantee under this part shall—

(1) invest the grant funds in a fiscally prudent manner, in order to generate amounts needed to make repayments on bonds and other forms of indebtedness; and

(2) notwithstanding section 6503 of title 31, United States Code, or any other law, use the proceeds of that investment to carry out this part.

SEC. 130. LOCAL REPORTS.

(a) REPORTS REQUIRED.—(1) Each grantee under this part shall report to the Secretary on its activities under this part, in the form and manner the Secretary may prescribe.

(2) If the local educational agency is not the grantee under this part, the grantee's report shall include the approval of the local educational agency or its comments on the report.

(b) CONTENTS.—Each report shall—

(1) describe the grantee's implementation of this part, including how it has met the requirements of this part;

(2) identify the specific school facilities constructed, renovated, or modernized with support from the grant, and the mechanisms used to finance those activities; and

(3) other information the Secretary may require.

(c) FREQUENCY.—(1) Each grantee shall submit its first report under this section not later than 24 months after it receives it grant under this part.

(2) Each grantee shall submit an annual report for each of the 3 years after submitting its first report, and subsequently shall submit periodic reports as long as it is using grant funds.

TITLE II—LOCAL COMMUNITIES RENEWAL OF PUBLIC SCHOOLS

SEC. 201. SHORT TITLE.

This title may be cited as the "Assistance to Local Communities in Renewal of Public Schools Act".

SEC. 202. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) Although the majority of our Nation's elementary and secondary public schools provide high quality education for our children, many schools need additional resources to implement immediate assistance and reform to enable them to provide a basic and safe education for their students.

(2) The Government Accounting Office recently found that ⅓ of all elementary and secondary schools in the United States, serving 14,000,000 students, need extensive repair and renovation.

(3) Recent reform of under-achieving schools in a number of States and school districts demonstrates that parents, teachers, school administrators, other educators, and local officials, given adequate resources and expertise, can succeed in dramatically improving public education and creating high performance schools.

(4) Such reform efforts show that parental and community involvement in those reforms is indispensable to the objective of high quality, safe, and accountable schools.

(5) Despite the successes of such reforms, public schools are facing tremendous challenges in educating children for the 21st century. The elementary and secondary school population will grow by 10 percent by the year 2005, and over the next 10 years, schools will need more than 2,000,000 additional teachers to meet the demands of such expected enrollments.

(6) Almost 7 of 10 Americans support increased Federal assistance to our Nation's public schools, and that support crosses all boundaries, including cities, towns, and rural areas.

(7) When Federal investment in public schools and children has increased, test scores have improved, and high school graduation rates and college enrollments have increased.

(8) The Federal Government should encourage communities that demonstrate a strong commitment to restore and reform their public schools.

(b) PURPOSE.—It is the purpose of this title to assist local communities that are taking the initiative—

(1) to overcome adverse conditions in their public schools;

(2) to revitalize their public schools in accordance with local plans to achieve higher academic standards and safer and improved learning environments; and

(3) to ensure that every community public school provides a quality education for all students.

SEC. 203. DEFINITIONS.

For purposes of this title:

(1) CONSORTIUM.—The term "consortium" means a local schools consortium as defined in paragraph (2).

(2) LOCAL SCHOOLS CONSORTIUM.—The term "local schools consortium" means the local educational agency in collaboration with a group composed of affected parents, students, and representatives of teachers, school employees and administrators, local business and community leaders and representative of local higher education group working or residing within the boundary of a local educational agency.

(3) PARENT.—The term "parent" includes any of the following:

(A) A grandparent.

(B) A legal guardian.

(C) Any other person standing in loco parentis.

(3) PLAN.—The term "plan" means a 3-year public schools renewal and improvement plan described in section 504.

(4) SECRETARY.—The term "Secretary" means the Secretary of Education.

(5) STATE.—The term "State" means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the American Virgin Islands, Guam, and American Samoa.

SEC. 204. PROCEDURE FOR DECLARATION.

(a) IN GENERAL.—A request for a declaration by the President that a "public schools renewal effort is underway" shall be made by a local schools consortium.

(b) REQUEST.—The local education agency shall submit the request to the Governor of the State who shall, with or without comment, forward such request to the President not more than 30 days after the Governor's receipt of such request. Such request shall—

(1) include the plan;

(2) describe the nature and amount of State and local resources which have been or will be committed to the renewal and improvement of the public schools; and

(3) certify that State or local government obligations and expenditures will comply with all applicable matching requirements established pursuant to this title.

(c) DECLARATION.—Based on a request made under this title, the President, in consultation with the Secretary, may declare that a "public schools renewal effort is underway" in such community and authorize the Department of Education and other Federal agencies to provide assistance under this title.

(d) PROGRESS REPORTS.—The consortium shall—

(1) amend such request annually to include additional initiatives and approaches undertaken by the local educational agency to improve the academic effectiveness and safety of its public school system.

(2) submit annual performance reports to the Secretary which shall describe progress in achieving the goals of the plan.

SEC. 205. ELEMENTS OF RENEWAL AND IMPROVEMENT PLAN.

(a) IN GENERAL.—As part of its request to the President, and in order to receive assistance under this section, a consortium shall submit a plan that includes the elements described in subsections (b) and (c).

(b) ADVERSE CONDITIONS.—The plan shall specify the existence of any of the following factors:

(1)(A) A substantial percentage of students in the affected public schools have been performing well below the national average, or below other benchmarks, including State developed benchmarks in such basic skills as reading, math, and science, consistent with Goals 2000 and title I of the Elementary and Secondary Education Act of 1965; or

(B) a substantial percentage of such students are failing to complete high school.

(2) Some or all of such schools are overcrowded or have physical plant conditions that threaten the health, safety, and learning environment of the schools' populations.

(3) There is a substantial shortage of certified teachers, teaching materials, and technology training.

(4) Some or all of the schools are located where crime and safety problems interfere with the schools' ability to educate students to high academic standards.

(c) ASSURANCES.—The plan shall also include assurances from the local educational agency that—

(1) the plan was developed by the local schools consortium after extensive public discussion with State education officials, affected parents, students, teachers and representatives of teachers and school employees, administrators, higher education officials, other educators, and business and community leaders;

(2) describe how the consortium will use resources to meet the types of reforms described in section 7;

(3) provide effective opportunities for professional development of public school teachers, school staff, principals, and school administrators;

(4) provide for greater parental involvement in school affairs;

(5) focus substantially on successful and continuous improvement in the basic academic performance of the students in the public schools;

(6) address the unique responsibilities of all stake holders in the public school system, including students, parents, teachers, school administrators, other educators, governmental officials, and business and community leaders, for the effectiveness of the public school system especially with respect to the schools targeted for greatest assistance;

(7) provide for regular objective evaluation of the effectiveness of the plan;

(8) the agency will give priority to public schools that need the most assistance in improving overcrowding, physical problems and other health and safety concerns, readiness for telecommunications equipment, and teacher training and the pool of certified teachers;

(9) ensure that funds received under this title shall be used to supplement, not supplant other non-Federal funds;

(10) certify that the combined fiscal effort per student or the aggregate expenditures within the State with respect to the provision of free public education for the fiscal year preceding the fiscal year for which the request for a declaration is made was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the second fiscal year preceding the fiscal year for which the request for a declaration is made; and

(11) will address other major issues which the local schools consortium determines are critical to renewal of its public schools.

SEC. 206. ALLOWABLE FEDERAL ASSISTANCE.

(a) IN GENERAL.—To provide assistance under this title, the President may—

(1) direct the Department of Education, with or without reimbursement, to use the authority and the resources granted to it under Federal law (including personnel, educational equipment and supplies, facilities, and managerial, technical, and advisory services) in support of State and local assistance efforts;

(2) direct any other Federal agency to provide assistance as described in paragraph (1);

(3) coordinate such assistance provided by Federal agencies; and

(4) provide technical assistance and advisory assistance to the affected local educational agency.

(b) DISTRIBUTION OF ASSISTANCE FUNDS.—

(1) IN GENERAL.—At the direction of the President, the Secretary shall distribute funds and resources provided pursuant to a declaration under this title to local educational agencies selected for assistance under this title.

(2) EXISTING PROCEDURES.—The Secretary shall determine the best method of distributing funds under this Act through personnel and existing procedures that are used to distribute funds under other elementary and secondary education programs.

(c) PROHIBITION.—No provision of this title shall be construed to authorize any action or conduct prohibited under the General Education Provisions Act.

SEC. 207. USE OF ASSISTANCE.

Assistance provided pursuant to this title may be used only to carry out a plan, and to effectuate the following and similar types of public school reforms:

(1) STUDENT-TARGETED RESOURCES.—

(A) Increasing and improving high-quality early childhood educational opportunities.

(B) Providing comprehensive parent training so that parents better prepare children before they reach school age.

(C) Establishing intensive truancy prevention and dropout prevention programs.

(D) Establishing alternative public schools and programs for troubled students and dropouts, and establishing other public school learning "safety nets".

(E) Enhancing assistance for students with special needs (including limited English proficient students, English as a second language, and students with disabilities).

(2) CLASSROOM FOCUSED SCHOOL DEVELOPMENT.—

(A) Establishing teacher and principal academies to assist in training and professional development.

(B) Establishing effective training links for students with area colleges and universities.

(C) Establishing career ladders for teachers and school employees.

(D) Establishing teacher mentor programs.

(E) Establishing recruitment programs at area colleges and universities to recruit and train college students for the teaching profession.

(F) Establishing stronger links between schools and law enforcement and juvenile justice authority.

(G) Establishing stronger links between schools and parents concerning safe classrooms and effective classroom activities and learning.

(H) Establishing parent and community patrols in and around schools to assist safe schools and passage to schools.

(I) Implementing research-based promising educational practices and promoting exemplary school recognition programs.

(J) Expanding the time students spend on school-based learning activities and in extracurricular activities.

(3) ACCOUNTABILITY REFORMS.—

(A) Establishing high learning standards and meaningful assessments of whether standards are being met.

(B) Monitoring school progress and determining how to more effectively use school system resources.

(C) Establishing performance criteria for teachers and principals through such entities as joint school board and union staff improvement committees.

(D) Establishing promotion and graduation requirements for students, including requirements for reading, mathematics, and science performance.

(E) Providing for strong accountability and corrective action from a continuum of options, consistent with State law and title I of the Elementary and Secondary Education Act of 1965.

SEC. 208. DURATION OF ASSISTANCE.

Assistance under this title may be provided for each of fiscal years 1998 through 2000.

SEC. 209. REPORT.

Not later than March 31, 2000, the Secretary shall submit a report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate assessing the effectiveness of this title in assisting recipient local schools consortia in carrying out their plans submitted under this title.

SEC. 210. AUTHORIZATION OF APPROPRIATIONS; MATCHING REQUIREMENT.

(a) AUTHORIZATION.—There are authorized to be appropriated to carry out this title—

(1) for fiscal year 1998, $250,000,000; and

(2) for fiscal year 1999, $500,000,000; and

(3) for fiscal year 2000, such sums as may be necessary.

(b) MATCHING REQUIREMENT.—

(1) IN GENERAL.—Federal funds expended or obligated under this title shall be matched (in an amount equal to such amount so expended or obligated) from State or local funds.

(2) OTHER FEDERAL RESOURCES.—The Secretary shall, by regulation and in consultation with the heads of other Federal agencies, establish matching requirements for other Federal resources provided under this title.

(3) WAIVER.—Based upon the recommendation of the Secretary, the President may waive paragraph (1) or (2).

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. TECHNICAL EMPLOYEES.

For purposes of carrying out this title, the Secretary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, may appoint not more than 10 technical employees who may be paid without regard to the provisions of chapter 51 and subchapter IV of chapter 5 of that title relating to classification and General Schedule pay rates.

SEC. 302. WAGE RATES

(a) PREVAILING WAGE.—The Secretary shall ensure that all laborers and mechanics employed by contractors and subcontractors on any project assisted under this title are paid wages at rates not less than those prevailing as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, as amended (40 U.S.C. 276a et seq.). The Secretary of Labor has, with respect to this section, the authority and functions established in Reorganization Plan Numbered 14 of 1950 (effective May 24, 1950, 64 Stat. 1267) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

(b) WAIVER FOR VOLUNTEERS.—Section 7305 of the Federal Acquisition Streamlining Act of 1994 (40 U.S.C. 276d–3) is amended—

(1) in paragraph (5), by striking out the "and" at the end thereof;

(2) in paragraph (6), by striking out the period at the end thereof and inserting a semicolon and "and"; and

(3) by adding at the end thereof the following new paragraph:

"(7) title V of the Reading Excellence Act,".

SEC. 303. NO LIABILITY OF FEDERAL GOVERNMENT.

(a) NO FEDERAL LIABILITY.—Any financial instruments, including but not limited to contracts, bonds, bills, notes, certificates of participation, or purchase or lease arrangements, issued by States, localities, or instrumentalities thereof in connection with any assistance provided by the Secretary under this title are obligations of such States, localities or instrumentalities and not obligations of the United States and are not guaranteed by the full faith and credit of the United States.

(b) NOTICE REQUIREMENT.—Documents relating to any financial instruments, including but not limited to contracts, bonds, bills, notes, offering statements, certificates of participation, or purchase or lease arrangements, issued by States, localities or instrumentalities thereof in connection with any assistance provided under this title, shall include a prominent statement providing notice that the financial instruments are not obligations of the United States and are not guaranteed by the full faith and credit of the United States.

SEC. 304. REPORT TO CONGRESS.

The Secretary shall report on the activities conducted by States and local educational agencies with assistance provided under this title, and shall assess State and local educational agency compliance with the requirements of this title. Such report shall be submitted to Congress not later than 3 years after the date of enactment of this Act and annually thereafter as long as States or local educational agencies are using grant funds.

SEC. 305. CONSULTATION WITH SECRETARY OF THE TREASURY.

The Secretary shall consult with the Secretary of the Treasury in carrying out this title.

Mr. HALL of Ohio. Madam Speaker, I reserve the balance of my time.

Mrs. MYRICK. Madam Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. WATTS].

Mr. WATTS of Oklahoma. Madam Speaker, I thank the gentlewoman from North Carolina for yielding me the time. I rise in support of the rule for H.R. 2746, the HELP Scholarships Act. I commend my good friend and colleague, the gentlewoman from North Carolina, for her support and leadership on this important legislation. The gentlewoman's reputation as a friend of education is well earned and her support for this measure is very significant.

Every single Member of this Congress shares one common goal with regard to education, that is that we do what is right for all of America's children with regard to their most fundamental right as Americans, their right to a solid education. I just urge my colleagues to allow this rule to pass and urge their support for this rule so that we can debate this very important issue. I look very forward to that debate.

Mr. HALL of Ohio. Madam Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MOAKLEY], ranking minority member on the Committee on Rules.

Mr. MOAKLEY. Madam Speaker, I thank my colleague, the gentleman from Ohio [Mr. HALL] for yielding me this time.

Madam Speaker, I rise in strong opposition to this very strange and very confusing rule. For rule watchers, we have got a doozy here today.

To begin with, this rule provides for the consideration of two separate bills, one under a closed rule and one under an open rule. The first bill, the HELP school vouchers bill, has not been considered by any committee, no hearings. It has not been reported out of any committee, Madam Speaker. In fact, it was only introduced 3 days ago and the ink is still wet on it. But if any of my colleagues are thinking about offering any amendment to this steel-clad bill, forget it. The Republican leadership has wrapped this bill up in a completely closed rule, which all of my colleagues know, means they have prohibited any and all amendments.

The other bill to be considered under this rule is the Charter Schools Act. This bill is a bipartisan effort that is

supported by many Members on both sides of the aisle. The good news is that this bill will be considered under an open rule. The bad news is that because of the confusing way this ill-fated rule is structured, it may never see the light of day.

Even if it passes by an overwhelming margin, the charter school bill may very well be heading for a veto threat down the road.

So here is the reason why if this strange rule passes, which I hope it will not, the two bills, even though considered and voted upon separately, will be joined together and sent to the Senate for consideration as a single bill.

The final joining of the good bipartisan bill and one dangerous controversial bill, Madam Speaker, is the death knell for charter schools.

By way of this rule, the Republican leadership is effectively singing a very well thought out, bipartisan bill on charter schools by attaching a spur-of-the-moment idea, which will hurt public education and one that the President has promised to veto. Furthermore, even though the President supports the charter schools legislation, it will be vetoed if the HELP voucher bill is attached.

So in the Committee on Rules, I tried to make some sense of this strange legislative cartwheel. I thought that perhaps there was a substantive reason for doing it this way. So during consideration of the measure in the Committee on Rules on Wednesday, I asked my good friend, the chairman of the committee, the gentleman from Pennsylvania [Mr. GOODLING], why was it necessary to join these two bills. Why could we not have taken them out individually?

Madam Speaker, after a pause, he replied, I do not know that I have an answer to that question, I will be perfectly frank with you.

So, Madam Speaker, if it is a mystery to the chairman of the committee who has been chairman for 3 years and a member of the committee for 23 years, if anybody is an expert on education in this House, my friend, the gentleman from Pennsylvania [Mr. GOODLING], is, that means only one thing: Somebody in a higher pay grade than the gentleman from Pennsylvania [Mr. GOODLING] made that decision.

Once again, Madam Speaker, the Republican leadership is putting politics before substance and this time it is the American education system that will pay the price.

Madam Speaker, although I believe improving American education should be our first priority, I am very confused about the way my Republican colleagues are going about it. I urge my colleagues to oppose the rule, oppose the previous question.

Mr. HALL of Ohio. Madam Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. CLAY], ranking minority member of the Committee on Education and the Workforce.

Mr. CLAY. Madam Speaker, I am appalled at the arrogant and dictatorial way that this bill has been brought to the floor. I urge my colleagues to defeat the previous question and defeat this rule.

The majority party has run roughshod over the entire democratic process. A previous Republican speaker this morning said that this is not a vote on vouchers, but it is a vote to permit debate on the issue of vouchers.

□ 1030

How misleading. This rule continues that farce. This bill has never had a public hearing in either the Subcommittee on Early Childhood, Youth and Families or on the full Committee on Education and the Workforce. This bill has never been marked up by the committee. There was no debate, no discussion, no public involvement, no give-and-take. Clearly, Madam Speaker, the doors of democracy have been slammed shut.

And to further stifle legitimate debate on the school voucher issue, the majority proposes, through this rule, to deny all Members of Congress the right to address this bill through a fair amendment process. If ever an issue needed the benefit of public discussion, of debate and of sunshine, it is this voucher issue.

As we look at the many debates surrounding strategies to improve elementary and secondary education, no issue is more contentious, no issue arouses more passion, and no issue divides us more than these proposals to take funds from public schools and give them to private schools in the form of vouchers. It would be a travesty if this rule passes. The Republican Party should be ashamed for playing politics with America's schoolchildren through the manipulation and abuse of House rules.

So I urge my colleagues to defeat the previous question so that we can substitute consideration of this reprehensible voucher bill with legislation that addresses issues that the Republican majority does not care to consider; namely, legislation that will help improve the public schools, where 50 million children go each day to receive an education.

Madam Speaker, I urge all of the Members to vote no on this rule.

Mrs. MYRICK. Madam Speaker, I yield 2½ minutes to the gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Madam Speaker, I do rise today in support of this rule, in large measure because of my concern about, first, the preservation of public education, but more importantly, trying to get the kind of product out of public education that I think the forefathers and those of us who have participated over the years in this whole problem of trying to ensure that every child in America has access to the best possible education.

The 1954 Brown versus Board of Education was a battle about separate but equal schools by definition of those who tried to maintain segregation. In 1997, we realize that schools are separate but unequal. In almost every single statistical base of data that has been put forth, there is a realization that children in the lower tier, and, indeed, public education has two tiers, on the upper tier, people are educated properly, they are given the tools necessary to compete in society, to be able to function in a world that globally is so competitive, if they do not have the tools they cannot survive; and on the lower tier, which is reflective of most of our urban communities of which I serve one of and also serve as a pastor and minister. When I discover there are so many of our young people who have not been given a fair opportunity for competition, it becomes clear to me that we must look at some alternatives that challenges the public system to be able to do the job that it is intended to do.

This is not a question for me about Democrats or Republicans. It is really a question about whether or not we are going to continue to let every child die, arguing that, if we begin to do vouchers, if we do charter schools, what we in fact are doing is taking away from the public system. We say, let them all stay there. Let them all die. It is like saying there has been a plane crash. But because we cannot save every child, we are not going to save any of our children; we will let them all die, we will not even try to create some means by which we can rescue those that can be rescued, we will assume it will be better for all of them to die than for us to take some of them out.

So my argument is simply this: Let us do what we can, as a people, to ensure in 1997 that which the Supreme Court intended in 1954; and that is to create a system that is not separate and unequal but a system that understands that if we have an integrated community, an integrated society, if it is going to be an integrated society, every child ought to be able to get the best education possible.

I intend next week, after I have retired, to spend my time trying to convince more people to deal with the question of what is not happening, the failure of too many of our children in public education, not again to get rid of it, but to make it better. This is a free market society in which we live. If, indeed, that is correct, let us create some competition, and I believe we will have a better product coming out of the public system.

Mr. HALL of Ohio. Madam Speaker, I yield 3 minutes to the gentleman from California [Mr. MARTINEZ].

Mr. MARTINEZ. Madam Speaker, once again, the Republican leadership,

with the backing of the extreme religious right, have sought to gag open and free debate through this politically motivated rule.

Today, the Republican leadership is asking Republican Members to support a rule which not only closes off debate on one of the most controversial issues before us today, that issue on voucher education. The issue of private school vouchers is one that has been debated for a long time. But never has a rule like this brought this issue to the floor.

The worst part of it, this rule marries this discriminatory and ill-conceived voucher proposal with the charter school bill, one that is bipartisan. Even though I have concerns about the charter school legislation, I do not appreciate the Republican leadership using that bipartisan bill as a political hockey puck by issuing a rule to marry it with the voucher bill after separate votes on each measure.

Members should know that H.R. 2746, the HELP, or should I say Hurt, Scholarship Act was never marked up in committee, did never receive a hearing. This legislation was created in a political vacuum that leaves us no room for dissenting views or open debate.

Now before us, as the gentleman from Indiana [Mr. ROEMER] has said, we have a discharge petition without benefit of 218 signatures. I guess if we operate as a dictatorship, we will do that.

Madam Speaker, we have before us a rule that continues a ridiculous closed path through the barring of amendments. Members of the House will never get a chance to debate this legislation in a truly open manner, especially since proponents of vouchers are doing the bidding of those conservative forces, such as the Christian Coalition, in rushing this legislation through the process.

I ask the Members to think objectively about the issue and join with myself and my colleague, the gentleman from Missouri [Mr. CLAY] in defeating the previous question. If we do defeat the previous question, we will offer two initiatives, which truly will reinforce our public education system, as the gentleman from New York [Mr. FLAKE] said, making sure that every child in the United States gets a quality education, one that will enable the Federal Government to provide Federal assistance to local schools to develop local-inspired plans to renew their communities' public schools, and the other would provide much needed finance assistance to repair the large number of crumbling schools throughout our Nation.

These proposals truly respond to the needs of our education system, unlike the voucher proposal, which the majority would have us consider. I urge all Members to vote against this rule.

Mrs. MYRICK. Madam Speaker, I yield 4½ minutes to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. Madam Speaker, I thank the gentlewoman from North Carolina [Mrs. MYRICK], who is handling the rule, for yielding me the time, and the gentlewoman from Missouri [Mrs. EMERSON], presiding as acting speaker.

I say good morning to my colleagues and to let them know that as the chairman of Subcommittee on Early Childhood, Youth and Families, otherwise known as the Subcommittee on Education, I stand before my colleagues today as the lead author of both measures that will be considered under this rule. Although, I hasten to add how satisfying and gratifying it was to work with my good friend, the gentleman from Indiana [Mr. ROEMER] in truly a collaborative bipartisan effort on the charter school bill.

I also want to say at the outset of my remarks that it is unfortunate and I regard it as beneath the gentleman from California [Mr. MARTINEZ], who I respect professionally and regard as a personal friend, to attack the so-called religious right or Christian Coalition. I think that is a rather specious argument to interject into this debate.

I will just get this off my chest, as well, at the outset just so everybody knows, particularly Americans listening to this debate today, when we talk about bipartisanship, please understand that, like welfare reform, what we are talking about is perhaps half House Democrats supporting the idea of expanded parental choice in public education for these new breed of public schools, these independent charter schools. Maybe half will vote with us. About half voted with us in committee.

Whereas, almost all House Republicans will support the charter school bill, and almost all House Republicans will support the HELP scholarship bill, otherwise called vouchers for low-income families.

Let me explain the linkage here under the rule. Several months ago, before we began deliberation of these two bills, we gave considerable thought and discussion to the idea of offering a low-income parental choice demonstration amendment on the charter school bill. But as that bill evolved into, as I said earlier, a bipartisan effort, thanks in large part to the efforts of the gentleman from Indiana [Mr. ROEMER], out of respect for his efforts and out of deference to the process, the bipartisan process, that had evolved, we decided that we would not offer the low-income parental choice demonstration bill as an amendment. However, we still want to make that linkage on the House floor. And that is why we are going to do that under a single rule making in order both proposals.

I am not the only one making that linkage. Let me quote to my colleagues from a December 17 article in The Washington Post headlined "Scholarships for Inner-City School Kids," and coauthored by Diane Ravitch and William Galston. William Galston happens to be the former domestic policy advisor to President Clinton. Diane Ravitch is a former assistant secretary of education in the Bush administration. And they wrote, "A number of jurisdictions have experimented with new contracting and management arrangements. Twenty-five States," now actually 29 States plus the District of Columbia and Puerto Rico, "have passed the charter school laws, which allow new or existing public schools to function as independent units free of most regulation." And we are trying to expand on those efforts on the floor here today. "With President Clinton's strong leadership, Federal support," Federal taxpayer support, "for charter school start-ups has risen substantially during the last 4 years." And again, we intend to redouble those efforts and build upon the Federal taxpayer assistance that has already been expended for charter schools in States and communities across the country.

But Ms. Ravitch and Mr. Galston go on to write, "But while all of these efforts are moving in the right direction, we have concluded that for the poorest children, those most at risk of failure," and let us be clear where most of those children are, they are in our urban communities, they are too often trapped in failing inner-city school districts, where they have to attend unsafe or underperforming schools, "for those children most at risk, even stronger measures have to be tried. State legislatures in Wisconsin and Ohio have enacted laws to permit poor children in Milwaukee and Cleveland to receive means-tested scholarships for nonpublic schools."

And that is what we are trying to do. With the HELP scholarship proposal here today on the floor, we are trying to expand on the programs in Milwaukee and Cleveland. I will have more to say about those programs later.

But I want to add now that those programs have shown a direct correlation to increased parental involvement, increased parental satisfaction, and what should be the bottom line for all of us, if we are going to approach these issues on a nonpartisan basis or, as the President has said, if we are going to leave partisan politics at the schoolhouse door, what should be the bottom line is that those programs, experimental in nature, have led to a substantial increase in pupil performance. That is the bottom line here.

So Galston and Ravitch were making a linkage. And the bottom line here, as far as I am concerned, the American people want more choice. They have spoken, colleagues. When asked if parents should be allowed more control to choose where their children are educated, two-thirds of the American people say yes. That is why we are on the floor with these two bills today.

Mr. HALL of Ohio. Madam Speaker, I yield 2½ minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Madam Speaker, I rise in strong opposition to the rule, in strong opposition to vouchers, and in very, very strong support of our bipartisan legislation on public charter schools.

Madam Speaker, I think it is appropriate on Halloween that we talk about a ghoulish, strange, scary rule that has brought this particular set of circumstances to the House floor, where we will vote on a very, very weak bill, the voucher bill, that has never had a hearing, that has never been marked up in committee, that has, as I called it in the Committee on Rules, I called it a discharge petition, without 218 votes automatically going to the House floor, without debate.

In the building trade, they have a term for this, Madam Speaker. It is called a cleat, where you have a very, very weak board and you staple or nail a strong board to support that. Well, in this case, the weak board is the voucher school bill, and the strong piece of legislation, the bipartisan piece of legislation, the legislation that is bold and innovative and saves our public schools, every child and every school, is the charter school bill.

I would encourage my colleagues on the right, who are always concerned about Government intervention and Government strings being attached to Government money, I would refer and I would ask unanimous consent to have extraneous material entered into the record, a Wall Street Journal article written by Gerald Seib referencing a Mr. Trowbridge, who says, "Government vouchers will invite Government interference in private schools." Your Wall Street Journal, your private schools, your argument.

In The Washington Post, there is another article entitled "A Conservative Case Against School Choice," that Government money can come without Government strings attached.

I would encourage my colleagues not to vote for the vouchers, to defeat the rule, to defeat vouchers and vote for the cradle of innovation. Vote for strong, strong public school voice. Vote for creative new ideas that will rescue our public school system, keeping dollars in public schools, and not giving Government strings and Government attachments to our private school system.

Madam Speaker, I include the following for the RECORD:

[From the Wall Street Journal, Sept. 3, 1997]

SCHOOL CHOICE: NO CLOSED BOOK ON RIGHT FLANK

(By Gerald F. Seib)

It's September, so the kids are back in school, the teachers are at the front of the class, and the education debate is about to begin in Washington. It promises to be a lot more interesting than that 7:30 a.m. college calculus class you've tried to forget.

For his part, President Clinton will be stepping out to promote nationally standardized tests, arguing they will help parents gauge schools and force educators to whip them into shape. Conservative Republicans will claw back, arguing, on principle, that standardized tests will only pull the federal government deeper into state and local educational systems.

Meanwhile, surely all those conservatives will be renewing their standard arguments in favor of school choice, including government vouchers to help parents move their kids out of public schools and into private ones. That, after all, is the universal view on the right, isn't it?

Well, not exactly.

Anybody who thinks the conservative book on school choice is closed will be surprised to open the new edition of National Review, a Bible of the right, and find a long essay arguing that conservatives ought to oppose school vouchers. Vouchers, of course, would essentially be government rebates to help parents pay the cost of private schooling. The essay, written by Ronald Trowbridge, a prominent conservative commentator from Hillsdale College in Michigan, reflects a small but significant school of thinking on the right that argues for re-examining the philosophical and political underpinnings of the school-choice debate.

Mr. Trowbridge argues that conservatives ought to oppose school vouchers for the same reason they oppose federally written standard tests: Government vouchers will invite government interference in private schools. This, he writes, already is the view of many grass-roots Republicans and conservatives who oppose vouchers because they "realize that government money to private schools sooner or later will be followed by government control."

Mr. Trowbridge is, frankly, a little ticked that conservatives and Republican leaders have given so little attention to this argument on vouchers. "They are all just raving about choice, and they never suggest there is anything that could possibly be wrong with it," he says in an interview.

Aside from the philosophical problem of opening the door to more government involvement in private schools, Mr. Trowbridge worries about the political downside risks for Republicans. Having made the decision to send their children to private schools for their special environment, he argues, a lot of parents won't exactly welcome seeing that environment changed by paving the way for people who weren't willing to make that choice on their own.

That's a practical political concern also voiced by Republican pollster William McInturff. He did a lot of early work in favor of the school-choice issue and generally remains a fan. But at a recent meeting of Republicans in Indiana, Mr. McInturff and his firm warned Republicans that there are limits of school choice as a national policy.

On VOUCHERS, Mr. McInturff worries about a backlash from middle-class parents who have chosen, of their own free will, to take a financial hit to send their kids to parochial or private schools. These parents may see school vouchers as merely a path to let in people who weren't willing to make the same sacrifice on their own, thereby eroding the specialness they thought so important for their kids. "Those parents think they have made difficult and painful sacrifices to put their kids in those schools," Mr. McInturff says.

More broadly, he thinks many parents hear school-choice rhetoric and conclude that it means "somebody else's school will get fixed, not mine." His polling suggests Republicans score better with the public when they stress improving teacher standards, getting parents more involved and forcing more attention to basics in the classroom.

This is a big, broad debate that, far from being settled, is only really beginning. The vehicle for carrying it out this fall will be legislation introduced by Georgia GOP Sen. Paul Coverdell, which calls not for vouchers, but for a kind of first cousin to them. It would allow parents to put as much as $2,000 a year into a tax-free savings account, then withdraw the money for tuition at a private elementary or secondary school.

Some people who don't like vouchers—Mr. Trowbridge, for one—think this is a good alternative, because it doesn't involve a direct payout from the federal government. Others want to go all the way to vouchers, giving even low-income parents a full "choice" in picking schools. The Clinton administration will argue against all these variations, on the grounds that they amount to abandoning the public-school system that still educates 90% of American kids. Take notes; there will be a political test in 1998 and 2000.

[From the Washington Post, Sept. 8, 1997]

A CONSERVATIVE CASE AGAINST SCHOOL CHOICE

(By Timothy Lamer)

No issue unites the right as school choice does. The religious right, neocons, culturecons, supply-siders, and libertarians all argue that vouchers will unleash market forces and break the iron grip of the National Education Association. Many on the right also see school choice as a means to promote moral and religious education. But is publicly funded school choice really conservative? In arguing for vouchers, many of my brethren on the right sound a lot like liberals. Some examples:

The Egalitarian Argument. James K. Glassman makes this common argument in a Post column [op-ed. Sept. 3]: "But there's the matter of justice too. Chelsea Clinton's parents can choose the best school for their child. Why can't the parents of the poorest kids on the most dilapidated, drug-infested block in Washington, Los Angeles or Newark?

Well, from that point of view, does justice demand that the government provide poor families the same choices rich families have in, say, health care? Conservatives have long argued that inequality is a fact of life and that when governments try to do something about it, they end up harming everyone; that instead of building up the poor, they tear down the wealthy and middle class. Could vouchers harm private schools instead of helping public schools? Conservatives who usually make such arguments against misguided egalitarianism should at least consider the possibility.

The Right-to-a-Subsidy Argument. The Heritage Foundation's Dennis P. Doyle and Fordham University's Bruce C. Cooper argue in another recent Post article [Outlook. Sept. 1] that without school choice, poor children's religious liberties are being violated. In other words, the Constitution obliges taxpayers to send poor children to religious schools if their parents so choose. "The First Amendment clearly proscribes the establishment of a state church," they write. "But it also guarantees the 'free exercise' of religion."

"Poor children—compelled by economic necessity to attend government schools—are denied the opportunity to freely exercise

their religious beliefs within a school setting," they maintain.

This argument—that First Amendment guarantees are not rights protected against government intrusion, but entitlements produced by government spending—is normally employed by extreme liberals, not Heritage Foundation fellows. Do Doyle and Cooper think the government should have to buy printing presses for poor people so they can exercise their freedom of the press? Do they agree with liberals that artists supported by the National Endowment for the Arts have a First Amendment "right" to a federal subsidy? Poor people have the right to freely exercise their religion, but they don't have a right to do it with other people's money.

The Every-Other-Civilized-Country-Does-It Argument. Doyle, this time in the American Enterprise, writes, "In the Netherlands, for example, 70 percent of children attend denominational schools at public expense," and "America is the only civilized country in the world that does not support religious elementary and secondary schools" with government funds.

Liberals often argue that every other civilized country has high tax rates, statist health care and so forth; therefore the United States should too. Conservatives usually retort that America's unparalleled prosperity is a result of our relative lack of government interference in the economy. We point out that if this country had French-style economic policies it would also have French levels of unemployment.

A similar argument could be made against Doyle. Why is the United States more religious, relatively speaking, than the countries he holds up as models? Perhaps because keeping church and state separate has served to strengthen religion in America.

The Just-Like-Pell-Grants Argument. On his show on the conservative NET channel. Dan Mitchell of the Heritage Foundation recently condemned the ACLU's opposition to school choice: "What's their rationale? Well, (they say) this is a subsidy to a religious school. Well, now, hold on a second. You have students attending Brigham Young University, Notre Dame University, all sorts of Catholic, Protestant, Jewish—all sorts of religious colleges—with Pell Grants and student loans from the federal government." Bob Dole said that the vouchers in his school choice proposal would be "like Pell Grants."

If vouchers are like Pell Grants, does that mean they will wildly inflate tuitions at private schools, as Pell Grants and student loans have done at colleges and universities? Will school choice become a sacred-cow program that grows every year and that Republicans can cut only at a steep political price, as Pell Grants and student loans have become? Will vouchers be used by liberals as an excuse to regulate private schools, as student aid has been used to regulate higher education? Shouldn't conservatives be at least a little worried that if vouchers are "like Pell Grants," they just might bear the same sour fruit?

Some on the right (including me) are leery of school choice. For one thing, it looks an awful lot like taxing citizens to advance religious teachings with which they disagree, a type of coercion that should be especially distasteful to religious citizens. And a heavy burden of proof is on those who claim, against the weight of history, that government money can come without government strings attached.

Fears about school choice may turn out to be unwarranted, but the liberal arguments some conservatives use to advance vouchers aren't reassuring.

□ 1045

Mr. HALL of Ohio. Madam Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. SCOTT].

Mr. SCOTT. Madam Speaker, I rise to strongly oppose this undemocratic process in which the voucher bill is being considered today. It is ridiculous that the House will consider a bill which has existed for 1 week, had no hearings, no markups, now being considered under a closed rule, thereby preventing Members from offering amendments.

Madam Speaker, there is one amendment that I would have liked to have had the opportunity to offer, and that would be to ensure that civil rights protections for all students would be available. Any entity that receives Federal aid must comply with Federal civil rights laws and the Justice Department is empowered to enforce those laws. This bill contains a statutory trick that declares private schools receiving vouchers are not recipients of Federal funds and therefore not subject to Federal enforcement of civil rights laws. This provision is in the bill intentionally.

The closed rule protects it from amendments so that we cannot correct the egregious problem or any other problems that exist with the bill. Make no mistake about it, the acceptance of the rule is acceptance of the intentional exclusion of the applicability of Federal civil rights laws.

Madam Speaker, I would also like to have considered amendments that would have informed parents of expenses and special education students of services available to them. But the acceptance of this rule prevents it from being exposed for what it is, bad civil rights policy, bad policy for parents of children who would be lured into this scam, as well as bad policy for the 99 percent of the children who will be left behind in overcrowded, crumbling and unfunded schools.

Madam Speaker, as for the poll that suggested that people supported this, that poll measures only the knee jerk reaction to a sound bite. We ought to put up a graph that shows what happened when people had an opportunity to vote on it on a referendum, after they have been educated about what a bad idea this is. The last 20 times it has been on the ballot it has gone down by margins averaging 3 to 1. Vote no on this rule. It is a bad bill.

Mrs. MYRICK. Madam Speaker, I yield 10 seconds to the gentleman from California [Mr. RIGGS].

Mr. RIGGS. Madam Speaker, I just want to make it very clear. We have had extensive hearings in the subcommittee and the full committee on the issue of greater parental choice and competition in education. We had hearings on the charter school bill. We had hearings on the various legislative parental choice proposals, including the one that is on the floor.

Mrs. MYRICK. Madam Speaker, I yield 4 minutes to the gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Madam Speaker, I thank the gentlewoman for yielding me this time. There have been a number of comments this morning, Madam Speaker, about the fact that this bill comes up under an unusual procedure. It does. These are unusual times we live in. There are millions of children trapped in schools, in America's urban core, where they do not learn, where they are not safe, and where their parents know with a terrible certainty that the schools are not going to change.

Madam Speaker, I suggest that the only thing worse than being without opportunity yourself is to know that unless you can do something that you feel you cannot do, your children are not going to escape, your children are not going to have any hope or any opportunity. This bill, the HELP scholarships, offers a hand to these parents. It gives their kids a chance, a modest chance, but a chance at a decent education and a good school. If ever a bill aided the powerless, it is this bill. But, Madam Speaker, if ever a bill offended the powerful, it is also this bill, because there is in this country an establishment, and I speak here without malice, but an establishment that controls millions of dollars, whose power and prestige and position depend on defending the status quo and public education in these poor neighborhoods. That establishment, Madam Speaker, is not fighting this bill because they are afraid it will fail. They are fighting it because they believe it will succeed. They are not fighting this bill because they think it will result in poorer education for these children. They are fighting it because they think it will result in better education for these children if they have the same chance and the same options that all of us would want for our children in those circumstances. That establishment does not want the embarrassment of having it proven that at much less cost, these kids can be educated. It is not some great deficiency with them, but rather the system that has failed them and has failed their parents as well. And so that establishment has supplied enormous and unrelenting pressure against this bill and against Members of Congress to oppose the bill.

I appreciate those of my colleagues who have been holding out and appreciate those who are going to vote for this rule. I think we are going to pass this rule, and I am grateful to all of my colleagues for that. So, yes, Madam Speaker, this bill is here under an unusual procedure. But the really unusual thing about it is that it is here at all, given the opposition to it. It is only here because of the forbearance and the patience of the gentleman from Pennsylvania [Mr. GOODLING], the

chairman of the Committee on Education and the Workforce, because of the persistence of the gentleman from California [Mr. RIGGS], because of the compassion of the gentleman from Oklahoma [Mr. WATTS], and because of the courage of the gentleman from New York [Mr. FLAKE]. To them, to those men who have done so much on behalf of these people who are so powerless, I express my appreciation. I ask all the Members to remember, if we do not represent these people, nobody is going to represent them. Do the right thing, vote for this rule, give these people a chance when the bill comes up for a vote on final passage.

Mr. HALL of Ohio. Madam Speaker, I yield 1 minute to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Madam Speaker, a sound public school system is how we prepare all of our children for the high skilled, high wage jobs that ensure America's leadership in this world marketplace and ensures that these children will earn a livable wage and not be on welfare as adults. Public education is the backbone of our country. It is why we are a great Nation. Public education is available to all. It does not discriminate, and it must be strengthened, not weakened.

Today's rule will profoundly weaken our public schools, forcing charter school supporters to go on record supporting school voucher plans that support a religious school. That, Madam Speaker, flies in the face of providing opportunity to all children. We do not hesitate in thinking that religious schools should be available. What we say is choose your religious school. Do not take it away from our public education system. That is where the real opportunity lies.

Mr. HALL of Ohio. Madam Speaker, I yield 1 minute to the gentlewoman from California [Mrs. TAUSCHER].

Mrs. TAUSCHER. Madam Speaker, I rise today in opposition to this misguided rule and urge my colleagues on both sides of the aisle to vote against it. This rule offers us tricks and treats just in time for Halloween. The rule we are considering this morning provides a complicated procedure whereby two separate bills, one bipartisan on charter schools and one controversial on vouchers can be considered and passed separately before being joined together and sent to the Senate and thereafter to the President for his signature or veto.

The first bill has never been considered, the bill on vouchers, by the authorizing committee. This is quite a trick. The other measure, H.R. 2616, deals with charter schools. It has received great support by a majority of Republicans and Democrats on the Committee on Education and the Workforce. Charter schools are public schools that are created by communities to stimulate reform and provide an alternative to traditional public school systems. In short, charter schools are a real treat for parents and children alike. I strongly oppose vouchers and strongly support charter schools. I urge my colleagues to vote no on this misguided rule.

Mr. HALL of Ohio. Madam Speaker, I yield 1 minute to the gentleman from Florida [Mr. DAVIS].

Mr. DAVIS of Florida. Madam Speaker, the issue before the House today is a fundamental one, and that is how to improve the public education system for our children. There are two stark choices. The first is the voucher, which at best is a huge untested experiment that threatens to significantly undermine our ability to fund our public schools. The other choice is charter schools. Charter schools are one of the most promising reforms taking place in our country today with respect to public education. They are often created by parents, by teachers and by communities who personally know children and care about them.

In my State, Florida, as in many States, many of the children that are enjoying the benefits of charter schools are children with special needs, are children that are at risk. In the 5 schools that have opened in Florida, and certainly with respect to the over 15 yet to come, over half of the children who were underperforming in the traditional public school setting are now performing at at least above average in these schools. These schools are innovative, they are unencumbered by many of the rules plaguing our public school system and they have smaller class sizes. These are positive reforms, not an abandonment of the public school system. We need to support charter schools and defeat vouchers.

Mr. HALL of Ohio. Madam Speaker, I yield 1 minute to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Madam Speaker, I thank the gentleman for yielding me this time. I rise today in strong opposition to this misguided rule and even stronger opposition to this notion about a voucher bill. Traditionally in politics we try to do the most good for the most people.

In America 90 percent of the students attend public schools. The Republicans today would like to do a little good for a few people, and that is why they are advocating a voucher plan that they say will give choice to the underprivileged classes. Let us be candid. Private schools, even if you had a voucher, do not have to take you, so the troubled students from inner cities and the troubled students from poor communities do not automatically get a choice even with their plan. But more importantly, we ought to be assisting public school education, where most students attend school. We need to work on providing repairs for dilapidated schools. We need to expand buildings and build new schools for overcrowded schools. We need to upgrade technology for schools that are behind in the technological age. We have opportunities for innovation and for choice, charter schools. I support that concept. We need to help our local communities in a real way, supporting public education, not through benign paternalism for a few. I urge rejection of the rule.

□ 1100

Mr. HALL of Ohio. Madam Speaker, I yield 1 minute to the gentleman from California [Mr. DOOLEY].

Mr. DOOLEY of California. Madam Speaker, I rise in very strong opposition to this rule, and I do so because we have two very important bills which have diametrically opposing objectives and it is senseless for us to consider them in one particular rule.

The voucher bill will, without question, undermine our public education system. It will siphon money out of our public schools, which will ensure that we will see a deterioration in the education that can be afforded to our Nation's children.

Vouchers will certainly undermine what has been one of the most important historical institutions in this country, which has led more to our economic advancement than anything else, our public schools. We cannot afford to go down that path.

But there is a path we must take, and that is embodied in our charter schools bill. We need to unleash the creativity and the innovation in our public schools, and charter schools will provide that incentive.

For all too long, we have standardized the process of education in our public schools. We need to unleash that creativity, and charter schools will release that creativity and innovation.

Mr. HALL of Ohio. Madam Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. ETHERIDGE].

Mr. ETHERIDGE. Madam Speaker, I rise in strong opposition to this latest voucher bill to use taxpayers' money to subsidize private and religious schools, and I urge my colleagues to vote against this rule. It is misguided, it is wrong, and it is not what is in the best interests of the 90 percent of the children in this country who attend public schools every day.

I sought this office because I could not stand by and watch the revolutionary Members of this Congress scapegoat, run down and bad mouth our children and our public schools of this country. This voucher bill is the latest attack on our public schools. Make no doubt about it, it is an attack on our children, their parents and their communities, and I urge Members to vote against it.

Public education is the foundation of a strong America. Our public schools have served as a great equalizer in this

country, and now we want to undermine that. We cannot and must not let this happen. We can improve our schools.

This is a defining vote. Members of this House are either for strong public schools, or they are against public schools in this country, and I urge Members to vote against this.

Mr. HALL of Ohio. Madam Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Madam Speaker, I rise in strong opposition to this rule. It is an unfair rule in terms of gagging the consideration of this voucher bill, and, I think, not providing good consideration of it.

Quite frankly, I am appalled at the fact that a bill like this would come to the floor in terms of proposing vouchers. Our whole tradition as a Nation for 200 years has been to build a solid public education system, and that has been the core and the foundation on which our Nation has been so successful.

I do not want to denigrate private schools. These exclusive, elite religious schools do a lot of good. I am a product of such schools. But I am also an educator and worked for years in terms of teaching, and the abandonment of the public school system which is taking place by virtue of trying to hold out this false hope of vouchers is wrong.

The issue here is going to be that we cannot abandon them. This is the abandonment of the public school system, is what this is. That is the message you are sending to hundreds of thousands of students in my State in saying you are going to provide vouchers for a couple hundred here and have a debate.

This is a false hope. This is an abandonment. Do not give up on the kids in this country. Do not give up on the public education. Do not give up on the 200-year tradition we have had of building education for democracy. It has been the basis of our success, and we are the most successful culture and society in the history of the world.

What are we about here? Creating false hopes where they do not have room in terms of these private schools where such schools can exclude individuals when they want to. We know the way the system works for the elite and others.

Yes, the schools work; but the fact is the fundamental thing for the people in this country is to maintain a good public education system and improve it. I have seen charter schools. They were initiated in my district in Minnesota. They work, and they are a good idea, but there are problems with those, too.

So we need to pay attention to those problems. They are right on the front page of the Washington Post these days. I can tell you stories about religious activities that have taken place at these charter schools that are questionable.

The governing structural we have in terms of freely elected people that work and set the policies for our public schools in our States and local communities are enormously important. Give them the support they deserve, rather than using them as a political scapegoat.

Mrs. MYRICK. Madam Speaker, I yield 1½ minutes to the gentleman from Florida [Mr. GOSS].

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Madam Speaker, I thank the distinguished gentlewoman from North Carolina for yielding.

When it comes to educating our kids, Washington does not know best. For too long we have had this top-down approach here that the Federal role in education is what it should be, and who is paying the price for the failure? Our kids are paying the price, and we all know it. They are not receiving the quality education they deserve, parents are certainly not being utilized to their full potential in the education process, and the time has come for change.

I happen to think charter schools represent good change, a unique approach that empowers parents, teachers, students, letting them work together to determine what actually works in education.

Local communities, not Washington politicians or special interests, establish then what the curriculum is going to be and how it works. I think it is a fact, charter schools are cost-effective. They get money to the classroom, they enhance accountability, and are gaining popularity around the country. It is time to deal with that.

The HELP Scholarship Act, to provide real educational opportunities for the poorest of the poor in America, this is a good idea. The real question though is a far more reasonable one: Do you support giving local communities the option, and I say option, of using some Federal dollars on scholarships for their poorest children? Who would say, no? That makes good sense.

I am inclined to support and trust the local folks back home. We vote for them at school board time. They do a pretty good job. I think their judgment deserves to be heard in this.

Madam Speaker, I think it is time that we got the education of our country's children back in the classroom, where it belongs, and out of Washington, DC, the land of special interests and all wisdom.

Mr. HALL of Ohio. Madam Speaker, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Madam Speaker, I thank the gentleman for yielding me time.

Madam Speaker, I wanted to say as a member of the authorizing committee and a strong, strong supporter of charter schools, I must rise in opposition to this rule. I also want to associate myself with the remarks of my colleague on the committee, the gentleman from Indiana [Mr. ROEMER], who observed that here we are on Halloween with this scary rule. I totally agree with the gentleman.

I cannot support this rule. It is an extraordinary departure from acceptable procedures. We should not have to take into account as we vote on charter schools the fact that this rule will be putting these two bills together as one, making vouchers part of the charter school if it passes. That is the issue here on this vote.

This can only be conceived as a device to drag through vouchers because it has serious opposition and it could not survive on its own in full and open debate and in committee analysis.

I oppose the rule. Support charter schools, but oppose this rule.

Mrs. MYRICK. Madam Speaker, I yield 1 minute to the gentleman from New York, [Mr. SOLOMON], the distinguished chairman of the Committee on Rules.

Mr. SOLOMON. Madam Speaker, there is nothing unusual about this rule. We had the option of putting this rule out, making in order the charter bill and substitute the Watts-Flake amendment to it, or to put them out as two separate bills so that the issues could be separated and Members would have the choice of voting for either or both if they want to. That is a reasonable rule. You ought to come over here and vote for it.

Let me mention on behalf of the gentleman from Michigan [Mr. HOEKSTRA] here that we have had 15 hearings in 13 States and heard over 200 witnesses overwhelmingly expressing support, parents of different socioeconomic backgrounds for more choice.

Let me say in this country, and I think the gentleman from New York [Mr. FLAKE] in New York City said it very, very clearly. We spend billions of dollars on education at the Federal, State, and local level. Even with all these dollars, American children continue to lag behind other nations in most areas of achievement, particularly in the inner cities of this country. We need to stick up for the inner cities of this country.

Isn't it about time we start thinking about the future of these children? I am the father of five and the grandfather of six. We need to give all these children whatever level, whatever their ethnic backgrounds, a future. Come over here and vote for both of these bills.

Mr. HALL of Ohio. Madam Speaker, I yield one minute to the gentlewoman from Texas [Ms. JACKSON-LEE]

Ms. JACKSON-LEE of Texas. Madam Speaker, let me say how unfair on the day of Halloween that we play such trickery. It is interesting, all those hearings about the bipartisan part of this, that was charter schools. We do believe in the opportunities for parents

and local governments to involve themselves. But there was no consensus on this so-called trickery, Halloween antics and tactics dealing with the voucher program.

What it simply is is a complete abdication and abandonment of our responsibility of the virtues and values of public school education; the very virtue and value of public school education that has trained the dominance of your scientists and doctors, lawyers, teachers, truck drivers, Presidents, and Congress, people of the United States of America.

How tragic, on a day when children have fun, that we come to the well of the House with a false rule that misleads all of us and abandons our children. We need to stand on the side of public education, stand on the side of understanding, and if we take away some $50 million, 90 percent of our students in public school education will suffer. When they said go West, young man and young woman, those circles of wagons built the first public schools. Why should we in 1997 abandon those schools? Vote down this rule. Support charter schools and vote down this helpless rule that deals with taking away money from our children in our public school system.

Mr. HALL of Ohio. Madam Speaker, I yield the balance of my time to the gentleman from Indiana [Mr. ROEMER].

The SPEAKER pro tempore. The gentleman from Indiana is recognized for 2½ minutes.

Mr. ROEMER. Madam Speaker, the gentleman from New York [Mr. SOLOMON], my good friend, who I really like a lot and we kid each other, I respect, has just said that this is not an unusual rule. Let me bring us back to Halloween analogy and talk about Jekyll and Hyde.

Now, we have a rule here, Madam Speaker, that on the one hand we have a bipartisan charter school bill that has strong support on both sides. I believe, with the help of the gentleman from California [Mr. RIGGS] and my help on this side, because it invests in every child, in every public school, with innovation and less regulation. Let us come up with new ideas to save our public education system and let us not encumber those schools with Federal and State bureaucratic dictates that will hinder learning in those schools.

Let us have these schools be cradles of innovation. Let us have these schools be boldly having new ideas come forward to the schools.

On the other hand, we have vouchers. We do not have any markups on this bill in committee, in the Committee on Education and Labor, because they do not have the votes for that bill. I do not think they have the votes for that bill on the House floor.

I strongly encourage my colleagues on both sides of the aisle to vote against the rule, because it is an unfair rule, it unfairly intertwines a very strong bill like charter schools with the vouchers, if vouchers pass. However, the first vote next week will be on vouchers. If we can, in a bipartisan way defeat vouchers, then have a straight up and down vote on charter schools, we will send the Senate the charter school bill.

We will show this country we can work in a bipartisan way to help save our public education system with less regulation, with more bold innovative ideas. We will show this country just as we worked together on balancing the budget, just as we worked together on providing modest tax relief, we are going to work together on bipartisan help in solving education problems for all parents.

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Now, we discovered, Madam Speaker, that the IRS was badly broken. We did not say we were going to fix the IRS for a couple of people; we said we were going to fix the IRS for everybody. Vouchers say we are going to fix schools for just a few thousand people and leave the rest of these schoolchildren in bad public schools.

Let us resurrect, reform, boldly innovate in the public school system. That is what charter schools do, that is what bipartisan legislation we have before us does for every child, for every public school. Let us vote down this rule. Let us defeat vouchers next week, and let us show wide bipartisan support to vote for charter schools.

Mrs. MYRICK. Madam Speaker, I yield 3 minutes to the gentleman from Georgia, Mr. NEWT GINGRICH, the Speaker of the House.

Mr. GINGRICH. Madam Speaker, I thank my friend, the gentlewoman from North Carolina, for yielding time to me.

Madam Speaker, I am delighted to follow my friend, the gentleman from Indiana, because I find his argument so perplexing, and I wanted a chance to chat about it. Fourteen years ago, under President Reagan, the Department of Education published a book called "A Nation At Risk," and said, our schools are in trouble. For 14 years we have heard politicians and bureaucrats promise us, soon we will fix it.

We had a report come out yesterday for the Washington, DC, schools, which spend $10,000 a child. According to the Department of Education, it is the most expensive system in the country. What did it say? It said two things. It said, first of all, if you actually applied standards to second and third graders, standards they have proposed to apply next year, over 40 percent of them would fail.

Now, the children are not failing. The 40 percent who are going to fail are children trapped in a system destroying their future. These same children, in a decent school with decent discipline, with a fair chance, can graduate and go to college, not to prison. But they are trapped, 40 percent. We know that today, from yesterday's paper.

A study just came out that said the longer you are in the D.C. schools, the less likely you are to score at grade level; that literally, the percentage goes up every year. The longer you are in the D.C. public schools, the less likely you are to be able to score at grade level. For $10,000 a year, we are not only trapping these children, we are weakening their likelihood of scoring.

Here is what I am fascinated by. A "no" vote on this rule is a vote of fear. What are they afraid of? Are they afraid that the big inner-city schools that are failing will fail? They are already failing. Are they afraid that children might be liberated to go to a school that has discipline? Why would Members oppose that? They say to us, we should help the public schools reform. But that is exactly what the bill of the gentleman from California [Mr. RIGGS] does. It has a charter school provision for the public schools. It does exactly what the gentleman says.

In addition, we say if your local system is so terrible that you believe your child's life will be destroyed and their future will be ruined, you should have the right to choose a scholarship so your child can go to a school that is safe, drug-free, with discipline, and has a chance to learn. What is so frightening about that, that requires a public school to fail so badly, to be such a disaster, that the parent decides to go to the extra effort to make the extra choice?

Yet, those who would vote "no" today are voting "no" out of fear. They are afraid to give the parents the right to choose. They are afraid to give the children the right to choose.

Mr. CLAY. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Missouri.

Mr. CLAY. Mr. Speaker, why are the gentlemen there afraid to have a separate vote on these two issues?

Mr. GINGRICH. We have two separate votes. This will come up as an amendment.

Mr. CLAY. On the rule.

Mr. GINGRICH. The votes will be separate. If the gentleman wants to vote against allowing poor children to have the choice of going to a separate school, is going against parents having the right to choose, they will get that vote under this rule.

Mr. ROEMER. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Indiana.

Mr. ROEMER. I would ask, Mr. Speaker, who I know visits many schools in Washington, I have visited a school called the Options Charter

School, where they serve 100 percent minority, 100 percent eligible for free and reduced lunches. Most of those students are two to three grade levels behind where they should be, and they failed through the D.C. public school system.

We created a charter school there. That is our solution partly, not a panacea or silver bullet, but this Options Charter School, to say we want to help with discipline, with safety, with more parental involvement, with better ratios of students and teachers in these charter schools, and experimentation. That is our solution.

Mr. GINGRICH. OK. But I would say to my friend, first of all, voting for this rule brings that option to the floor, and I will vote with the gentleman on that option. There is no reason to be against this rule if the gentleman wants to help charter schools. This rule brings the charter school bill to the floor.

But what seems to be frightening the gentleman, and I am not sure why the gentleman is frightened, is we also offer an alternative, if in fact there are not charter schools, or there are not enough charter schools, or the school is so terrible.

And I would point out to the gentleman, the President the other day went to Chicago where Mayor Richard Daley is doing a good job. The President said, if you cannot fix the school, fire the principal. If firing the principal does not work, fire the teachers. If that does not work, he said, close the school.

We have an alternative. There are 4,000 slots available today in Washington, DC, for children to go to schools that are private, that have a high graduation rate, that have a high education rate, that have a low drug-use rate, that have a low violence rate. There are 4,000 slots available today. We have an answer when the President closes that school he talked about. I do not know that the gentleman has an answer to that.

Mr. ROEMER. Madam Speaker, if the gentleman will continue to yield, I do have an answer.

Mr. GINGRICH. What is the gentleman's answer?

Mr. ROEMER. My answer is the Democratic Party's model is the Chicago reform system.

Mr. GINGRICH. What happens in a neighborhood——

Mr. ROEMER. You do fire teachers, principals, and you reconstitute schools that are not working. That is what we are doing in Chicago. We are not giving up on the public school system.

Mr. GINGRICH. We are not, either.

If I may reclaim my time, Madam Speaker, I just want to make a point here. I think this particular canard needs to be put down right now. I am a little fed up with Democrats who come in here and say, well, you all do not want to save the public schools.

Let me make two points. First of all, I went to public school. My children went to public school. My wife went to public school. We have lived our personal commitment. I have taught in a public high school. The gentleman from Pennsylvania [Mr. GOODLING] spent years of his career in public schools as a teacher, as a coach, as a counselor, as a principal. We are committed to public school, and we live it. Our children have been there. But we also do not believe children should be destroyed on the altar of a union and children should be destroyed on the altar of a bureaucracy.

Notice what this rule does, because I think the gentleman ought to be fair about this. This rule brings to the floor the charter school bill to help public schools. That is coming to the floor under this rule. So a "yes" vote here is not an antipublic school vote. A "yes" vote here is a pro public school, pro charter school vote, and a positive vote for those children and those parents trapped in bad neighborhoods that the system has not reformed.

I just want to pose this thought. I had 70 children surrounding me yesterday, 70 children, all of them African-American, all of them from a neighborhood where, for $10,000 a year, their bureaucracy had failed them. I would say to my friends in the Democratic Party, why do they keep the children trapped? What are they so afraid of that they will not give the parents a chance to save their children from jail by giving them a chance to go to a school with discipline, that is drug-free, where they graduate and have a chance to go to college?

Vote "yes" on this rule, and let us have an honest up-or-down debate on some very good public school choice and some very good parental choice.

Mr. MORAN of Virginia. Mr. Speaker, I rise today in strong support of this bipartisan bill but with disappointment in the majorities' use of this important legislation to advance their political agenda.

Most of us agree that we need to present some form of alternative for children who do not have access to quality public schools. Charter schools present a viable alternative to traditional public education for all children in the United States. Offering a choice to 2,000 students for whom there is insufficient space in the schools they could afford with vouchers is not a solution.

On Wednesday, the District of Columbia chartering authority interviewed applicants interested in opening 1 of the 20 new charter schools that we authorized last Congress. I am optimistic about these new schools. There are currently 3 charter schools operating in the District. This is fewer than the number of charter applicants approved by the Charter School Board. The other approved charter schools could not open because they lacked sufficient startup funds. This is not the result of District of Columbia financial mismanagement. As my colleagues know from their own States and districts, it has been the case for approved charters nationally. Some 59 percent of charter school operators reported a lack of these funds. With the passage of enabling legislation in more States every legislative session, start-up funding needs will only increase. In fiscal year 1997, State requests for charter school funding exceeded appropriations by $24 million. We are addressing this problem in this charter schools amendments bill. We need the increased authorization to meet the $100 million appropriation, and we need the increase in the length of the Federal grant from 3 to 5 years to meet this need.

The need will not be met if we attach a voucher provision to this bill. The HELP Scholarship Act was only introduced into the House 1 week ago. It has not been subjected to committee scrutiny, and no hearings have been held on this bill, cutting out the hearing process and any input from the people on whom it would have the greatest impact. The attachment of this voucher language in conference would clearly compromise the bipartisan nature of the charter school bill. It should be considered on its own merit after appropriate committee scrutiny and approval.

Unlike the HELP Scholarship bill, the Charter School Amendments Act was considered by its committee of jurisdiction, the Education and the Workforce Committee. After committee members had an opportunity to amend the bill, it passed out of committee with a strong, bipartisan majority. I urge my colleagues to vote against the rule to allow attachment of the HELP Scholarship bill in conference. It threatens final passage of this important legislation.

Mr. ADAM SMITH of Washington. Madam Speaker, I rise to oppose this rule to join two bills, H.R. 2746 and H.R. 2616. These bills reflect two fundamentally different concepts of what is needed to improve the education system in our country, and combination is absolutely unacceptable.

H.R. 2746, Helping Empower Lower Income Parents Scholarships, is a voucher bill that will steal money from our public school system. At a time when our public school system is in desperate need of resources to assure all children in this country are given the educational opportunities they deserve, this bill moves us in the wrong direction. Giving a small number of students taxpayer money to attend a private school does nothing to improve our school system as a whole and takes away resources from the 90 percent of the children in our country who attend public schools. This is not the kind of change we need.

H.R. 2616, the Charter School Amendments, is the type of innovation that could improve our public school system and these changes make sense. Charter schools provide for local control and opportunities for innovation in a public school system, while assuring the schools are held accountable to specified standards. All students can take advantage of the opportunities that charter schools provide and these changes encourage the first class schools that we are looking for in our public school system.

Congress must be allowed the opportunity to debate and vote on these two fundamentally different bills separately.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise this morning in opposition to this rule. My colleagues, this is nothing less than an extraordinary rule. This rule provides for consideration of two entirely unrelated pieces of legislation: H.R. 2616, the Charter Schools Amendments Act and H.R. 2746, the Helping Empower Low-Income Parents Scholarships Act. Ironically, although perhaps not unexpectedly, the rule allows amendments to H.R. 2616, a bipartisan bill enjoying broad support, but requires that H.R. 2746, a controversial and deeply flawed piece of legislation, be considered under a completely closed rule. Finally, although the rule allows for a separate vote on each bill, it requires the Clerk to join them into a single bill before transmittal to the Senate, thus, joining two unrelated bills into one.

This rule is certainly a clever and strategic ploy to give H.R. 2746 some cover as it moves into the Senate. Do we really want the education of our Nation's young people subject to clever political and partisan ploys? Do we really mean to allow the American public education system to be upset by the unfairness and trickery that underlie this rule? Because that is what we are doing with this rule. We are allowing H.R. 2746 to proceed to vote without a chance of amendment. We are allowing it to move to a vote without the opportunity to mediate some of the more troublesome provisions it contains. When you vote on this rule today, I ask my colleagues to remember that this is a vote about our children and the future of the American public education system.

Mr. Speaker, I am compelled to voice my objections to H.R. 2746. The primary point of concern, for myself, and many other members of this body in regard to H.R. 2746, is the school scholarship or vouchers provision included in this revision of title VI of the Education and Secondary Reform Act.

This provision would authorize the distribution of scholarships to low to moderate income families to attend public or private schools in nearby suburbs or to pay the costs of supplementary academic programs outside regular school hours for students attending public schools. However, only certain students will receive these tuition scholarships.

This legislative initiative could obviously set a dangerous precedent from this body as to the course of public education in America for decades to come. If the U.S. Congress abandons public education, and sends that message to localities nationwide, a fatal blow could be struck to public schooling. The impetus behind this legislative agenda is clearly suspect. Instead of using these funds to improve the quality of public education, this policy initiative enriches fiscally successful, local private and public institutions. Furthermore, if this policy initiative is so desirable, why are certain DC students left behind? Is this plan the right solution? I would assert that it is not. Unless all of our children are helped, what value does this grand political experiment have?

I see this initiative as a small step in trying to position the Government behind private elementary and secondary schools. The ultimate question is why do those in this body who continue to support public education with their lip service, persist in trying to slowly erode the acknowledged sources of funding for our public schools? Public education, and its future, is an issue of the first magnitude. One that affects the constituency of every Member of this House, and thus deserves full and open consideration.

School vouchers, have not been requested by public mandate from the Congress. In fact, they have failed every time they have been offered on a State ballot by 65 percent or greater. If a piece of legislation proposes to send our taxpayer dollars to private or religious schools, the highest levels of scrutiny are in order, and an amendment that may correct such a provision is unquestionably germane. Nine out of ten American children attend public schools, we must not abandon them, their reform is our hope.

I would like now to contrast the harm H.R. 2746 would bring to the American public school system to the good that is promised by H.R. 2616. H.R. 2616 is a bill to which we all can, and should, lend our support. H.R. 2616 enjoys broad bipartisan support and encourages innovative approaches to educating the children in our public schools. The key elements of charter schools are that they give parents and teachers the opportunity and flexibility to try innovative approaches to providing a high quality, stimulating education, in exchange for being held accountable for academic results and proper management of funds.

Charter schools have faced a substantial problem, however, in the form of a lack of adequate startup funds. According to the Department of Education's first year report on charter schools, inadequate startup funds are the most commonly cited barrier that charter schools face. Nearly 60 percent of charter schools—both newly established ones and those that had been in operation for a year or two—cited a lack of startup funds and operational funds as a problem. H.R. 2616 answers this problem by authorizing $100 million in fiscal year 1998 for the Federal Charter Schools Program intended primarily to offset the schools startup costs.

My colleagues, I urge you to vote against this extraordinary rule. I urge you to vote no and in so doing signal your opposition to the so-called "HELP" Scholarships Act and your support for the Charter Schools Amendment Act.

Mrs. MYRICK. Madam Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CLAY. Madam Speaker, I object to the vote on the grounds that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 222, nays 195, not voting 16, as follows:

[Roll No. 566]

YEAS—222

Aderholt	Gilman	Pappas
Archer	Gingrich	Parker
Armey	Goodlatte	Paul
Bachus	Goodling	Paxon
Baker	Goss	Pease
Ballenger	Graham	Peterson (PA)
Barr	Granger	Petri
Barrett (NE)	Greenwood	Pickering
Bartlett	Gutknecht	Pitts
Barton	Hansen	Pombo
Bass	Hastert	Porter
Bateman	Hastings (WA)	Portman
Bereuter	Hayworth	Pryce (OH)
Bilbray	Hefley	Quinn
Bilirakis	Herger	Radanovich
Bliley	Hill	Ramstad
Blunt	Hilleary	Redmond
Boehlert	Hobson	Regula
Boehner	Hoekstra	Riggs
Bonilla	Horn	Riley
Bono	Hostettler	Rogan
Brady	Houghton	Rogers
Bryant	Hulshof	Rohrabacher
Bunning	Hunter	Ros-Lehtinen
Burr	Hutchinson	Roukema
Burton	Hyde	Royce
Buyer	Inglis	Ryun
Callahan	Istook	Salmon
Calvert	Jenkins	Sanford
Camp	Johnson (CT)	Saxton
Campbell	Johnson, Sam	Scarborough
Canady	Jones	Schaefer, Dan
Castle	Kasich	Schaffer, Bob
Chabot	Kelly	Sensenbrenner
Chambliss	Kim	Sessions
Chenoweth	King (NY)	Shadegg
Christensen	Kingston	Shaw
Coble	Klug	Shays
Coburn	Knollenberg	Shimkus
Collins	Kolbe	Shuster
Combest	LaHood	Skeen
Cook	Largent	Smith (MI)
Cooksey	Latham	Smith (NJ)
Cox	LaTourette	Smith (OR)
Crane	Lazio	Smith (TX)
Crapo	Leach	Smith, Linda
Davis (VA)	Lewis (CA)	Snowbarger
Deal	Lewis (KY)	Solomon
DeLay	Linder	Souder
Diaz-Balart	Lipinski	Spence
Dickey	Livingston	Stearns
Doolittle	LoBiondo	Stump
Dreier	Lucas	Sununu
Duncan	Manzullo	Talent
Dunn	McCollum	Tauzin
Ehlers	McCrery	Taylor (NC)
Ehrlich	McDade	Thomas
Emerson	McHugh	Thornberry
English	McInnis	Thune
Ensign	McKeon	Tiahrt
Everett	Metcalf	Traficant
Ewing	Mica	Upton
Fawell	Miller (FL)	Walsh
Flake	Moran (KS)	Wamp
Forbes	Morella	Watkins
Fowler	Myrick	Watts (OK)
Fox	Nethercutt	Weldon (PA)
Franks (NJ)	Neumann	Weller
Frelinghuysen	Ney	White
Ganske	Northup	Whitfield
Gekas	Norwood	Wicker
Gibbons	Nussle	Wolf
Gilchrest	Oxley	Young (AK)
Gillmor	Packard	Young (FL)

NAYS—195

Abercrombie	Boswell	Cramer
Allen	Boucher	Cummings
Andrews	Boyd	Danner
Baesler	Brown (CA)	Davis (FL)
Baldacci	Brown (FL)	Davis (IL)
Barcia	Brown (OH)	DeFazio
Barrett (WI)	Cardin	DeGette
Becerra	Carson	Delahunt
Bentsen	Clay	DeLauro
Berman	Clayton	Dellums
Berry	Clement	Dicks
Bishop	Clyburn	Dingell
Blagojevich	Condit	Dixon
Blumenauer	Conyers	Doggett
Bonior	Costello	Dooley
Borski	Coyne	Doyle

Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velázquez
Vento
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—16

Ackerman
Cannon
Cubin
Cunningham
Deutsch
Foglietta
Foley
Gallegly
Gephardt
Gonzalez
McIntosh
McNulty
Payne
Schiff
Visclosky
Weldon (FL)

□ 1143

The Clerk announced the following pair:

On this vote:

Mr. McIntosh for, with Mr. Deutsch against.

Ms. SLAUGHTER changed her vote from "yea" to "nay."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mrs. EMERSON). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HALL of Ohio. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 214, noes 198, not voting 21, as follows:

[Roll No. 567]

AYES—214

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bilbray
Bilirakis
Bliley
Blunt
Boehner
Bonilla
Bono
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Forbes
Fowler
Fox
Franks (NJ)
Frelinghuysen
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Pastor
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NOES—198

Abercrombie
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Bereuter
Berman
Berry
Bishop
Blagojevich
Blumenauer
Boehlert
Bonior
Borski
Boswell
Boucher
Boyd
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dellums
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Goode
Gordon
Green
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Horn
Hoyer
Jackson (IL)
Jackson-Lee (TX)
John
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Lantos
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McHugh
McIntyre
McKinney
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Ramstad
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velázquez
Vento
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—21

Ackerman
Cubin
Cunningham
Deutsch
Flake
Foglietta
Foley
Gallegly
Gephardt
Gonzalez
Gutierrez
Jefferson
Johnson (WI)
Klink
Lipinski
McIntosh
McNulty
Payne
Schiff
Visclosky
Weldon (FL)

□ 1201

The Clerk announced the following pair:

On this vote:

Mr. McIntosh for, with Mr. Deutsch against.

Mr. McHUGH changed his vote from "aye" to "no."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to committee was laid on the table.

PERSONAL EXPLANATION

Mr. VISCLOSKY. Mr. Speaker, I was unavoidably detained and unable to vote on rollcall vote Nos. 566 and 567. Had I been present, I would have voted "no" on rollcall No. 566, on ordering the previous question to House Resolution 288, and "no" on rollcall No. 567, on agreeing to House Resolution 288.

LEGISLATIVE PROGRAM

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Madam Speaker, I yield to the gentleman from Texas [Mr.

ARMEY], the majority leader, for purposes of inquiring about the schedule for today and next week.

Mr. ARMEY. Madam Speaker, I am pleased to announce that we have had our last vote for the day. I believe all Members will be able to make it back home tonight to see their little angels and saints head out for Halloween.

Next week, the House will meet on Tuesday, November 4, at 10:30 a.m. for morning hour and 12 noon for legislative business. We do not anticipate any recorded votes before 5 p.m. on Tuesday, Election Day.

On Tuesday, November 4, the House will take up a number of bills under suspension of the rules, a list of which will be distributed this afternoon. After suspensions, we will return to H.R. 2746, the HELP Scholarships Act, and H.R. 2616, the Charter Schools Amendment Act.

The House will meet at 10 a.m. on Wednesday and Thursday and at 9 a.m. on Friday to consider the following bills: H.R. 2292, the Internal Revenue Service Restructuring and Reform Act of 1997; H.R. 2195, the Slave Labor Productions Act of 1997; H.R. 967, a bill to prohibit the use of U.S. funds to provide for the participation of certain Chinese officials in international conferences, programs, and activities and to provide certain Chinese officials shall be ineligible to receive visas and excluded from admission into the United States; H.R. 2570, the Forced Abortion Condemnation Act; H.R. 2358, the Political Freedom in China Act of 1997; H.R. 2232, the Radio Free Asia Act of 1997; H.R. 2605, the Communist China Subsidy Reduction Act of 1997; H.R. 2647, a bill to ensure that commercial activities of the People's Liberation Army of China or any Communist Chinese military company in the United States are monitored; House Resolution 188, a resolution urging the executive branch to take action regarding the acquisition by Iran of C–802 cruise missiles; H.R. 2386, the United States-Taiwan Anti-Ballistic Missile Defense Cooperation Act; and H.R. 2621, the Reciprocal Trade Agreement Authorities Act 1997.

As Members know, Madam Speaker, there are a number of appropriations bills that need to be passed before the House concludes the first session of the 105th Congress. I have always been an optimist, and it is my hope that the House can agree on these important matters by the end of next week, next Friday, Saturday, or Sunday.

I thank the gentleman from Michigan [Mr. BONIOR] for yielding me this time.

Mr. BONIOR. Madam Speaker, reclaiming my time, if the gentleman from Texas [Mr. ARMEY] will bear with me for a second, I have a series of questions I would like to pose to the distinguished majority leader.

A number of resolutions were filed this morning with regard to the Sanchez situation, and I am just wondering when those will be brought up.

Mr. ARMEY. If the gentleman would yield, obviously, we will have to look at that. We will try to reconcile that against the schedule. I would guess it would be Tuesday or Wednesday.

Mr. BONIOR. Second, as the gentleman from Texas [Mr. ARMEY] knows from the long lines on the floor of the House of Representatives, we have up to now 187 Members, bipartisan I might add in nature, who have come and signed a discharge petition on campaign finance reform. I note there is an agreement in the Senate to take up campaign finance reform. I am just wondering if the gentleman from Texas [Mr. ARMEY] could tell us when we will take campaign finance up in the House of Representatives.

Mr. ARMEY. I thank the gentleman for his inquiry. If the gentleman would continue to yield, we are looking at that. We have been having discussions among ourselves and with our colleagues on the other side of the building. I do not have anything to announce at this time.

Mr. BONIOR. Well, I suspect that my friend, the gentleman from Texas [Mr. ARMEY], took note that we had an additional 20 Members sign this week. And I think the movement is moving well. I would just encourage my friend from Texas to seriously consider the large number of Members who are interested in this. One hundred and eighty Democrats have already signed this petition. We are looking forward to a debate on that. All sides, all different perspectives on this issue, can have their say on the floor of the House.

Third, can the gentleman from Texas [Mr. ARMEY] tell me what day we will take up fast track?

Mr. ARMEY. Madam Speaker, it is our intention to do fast track on Friday.

Mr. BONIOR. Reclaiming my time, fourth, I note that in the comments the gentleman from Texas [Mr. ARMEY] has just made, there were a series of bills related to China on the schedule. I am wondering under what structure we are going to consider them.

Are we going to have one rule to consider them all, or are we going to have separate rules on each of the bills that my colleague said we will discuss next week as they relate to China?

Mr. ARMEY. If the gentleman will continue to yield, the Committee on Rules will be meeting earlier next week and they will be working on that in conjunction with the other members of the committee, and the minority will be, I suppose, negotiating that.

Mr. BONIOR. Well, I hope they are brought out here under separate rules and we do not have a package rule situation on these very important bills.

Finally, let me just ask my friend, the gentleman from Texas [Mr. ARMEY], I noted in his comments at the end that he seemed optimistic, and referred to himself that way, that we will be able to finish by the end of the week next week. I am optimistic, as well, and my sense is that that is where we are heading. If the gentleman from Texas [Mr. ARMEY] has any other thoughts on that, I would like to hear them. And if not, does he anticipate an additional continuing resolution to take us into next year?

Mr. ARMEY. It is my belief at this point to continue to talk to all the people related to these conferences on spending bills that we can complete that work by sometime next weekend. I see no reason to depart from that belief. But I must advise the gentleman from Michigan [Mr. BONIOR] that I hold that belief and punctuate it with both a knock on wood and a prayer.

Mr. BONIOR. I will take both. Have a good weekend.

Mr. RIGGS. Madam Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from California.

Mr. RIGGS. Madam Speaker, with the passage of the rule making in order both the HELP scholarships bill, which I know is of genuine interest and even some concern to Members on both sides of the aisle and on both sides of the issue, pro and con, through the majority whip to the majority leader, is it our intention to resume that debate and have the debate on the HELP scholarships bill between 4 and 6 on Tuesday, so Members know they should be back at that time for debate, and that the vote would then occur on the HELP scholarships bill at approximately 6 p.m.?

Mr. ARMEY. Madam Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. ARMEY. The gentleman from California [Mr. RIGGS] is correct.

Let me again reiterate. We will begin the general debate then on the HELP scholarships bill around 4 on Tuesday.

Mr. RIGGS. Madam Speaker, I thank the gentleman from Michigan [Mr. BONIOR] for yielding.

ADJOURNMENT TO TUESDAY, NOVEMBER 4, 1997

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10:30 a.m. on Tuesday, November 4, 1997, for morning hour debates.

The SPEAKER pro tempore (Mrs. EMERSON). Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ARMEY. Madam Speaker, I ask unanimous consent that the business

in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERSONAL EXPLANATION

Mr. BARRETT of Nebraska. Madam Speaker, on rollcall votes 559 through 565, I was unavoidably detained. Had I been present, I would have voted "aye" on all of the votes.

PERSONAL EXPLANATION

Mr. JOHN. Madam Speaker, during rollcall vote No. 554 on H.R. 1270, I also was unavoidably detained. Had I been present, I would have voted "nay."

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. HARMAN. Madam Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and whereas, in the 104th Congress, similar challenges were brought in three elections, including one involving the offeror of this resolution, winner of her election by 812 votes, duly certified by the Secretary of State of California. After 9 months of investigation at a cost of over 100,000 taxpayer dollars, no evidence of fraud being found, the challenge was withdrawn; and whereas, the Committee on House Oversight has had more than ample time to conclude its investigation, conducted at great taxpayer expense: now, therefore, be it

Resolved, That unless the Committee on Oversight has sooner reported a recommendation for its final disposition, the contest of the 46th District of California is dismissed upon the expiration of November 7, 1997.

Madam Speaker, I ask unanimous consent that the text of the entire resolution be printed at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

The text of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and October 24, 1997 in Washington, D.C.; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charged of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the record seized by the District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas the House Oversight Committee is now pursuing a duplicate and dilatory review of materials already in the Committees possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make the judgements concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, in the 104th Congress, similar challenges were brought in three elections, including one involving the offeror of this resolution, winner of her election by 812 votes, duly certified by the Secretary of State of California. After nine months of investigation at a cost of over $100,000 taxpayer dollars, no evidence of fraud being found, the challenge was withdrawn; and

Whereas, the Committee on House Oversight has had more than ample time to conclude its investigation, conducted at great taxpayer expense, now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

The SPEAKER pro tempore. Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within 2 legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from California [Ms. HARMAN] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

ANNOUNCEMENT OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Ms. MCKINNEY. Mr. Speaker, pursuant to clause 2 of rule IX, I hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

Whereas, Loretta Sanchez was issued a certificate of election as the duly elected Member of Congress from the 46th District of California by the Secretary of State of California and was seated by the U.S. House of Representatives on January 7, 1997; and

Whereas A Notice of Contest of Election was filed with the Clerk of the House by Mr. Robert Dornan on December 26, 1996; and

Whereas the Task Force on the Contested Election in the 46th District of California met on February 26, 1997 in Washington, D.C., on April 19, 1997 in Orange County, California and has not met since that time; and

Whereas the allegations made by Mr. Robert Dornan have been largely found to be without merit: Charges of improper voting from a business, rather than a resident address; underage voting; double voting; and charged of unusually large number of individuals voting from the same address. It was found that voting from the same address included a Marines barracks and the domicile of nuns, that business addresses were legal residences for the individuals including the zoo keeper of the Santa Ana zoo, that duplicate voting was by different individuals and those accused of underage voting were of age; and

Whereas the Committee on House Oversight has issued unprecedented subpoenas to the Immigration and Naturalization Service to compare their records with Orange County voter registration records, the first time in any election in the history of the United States that the INS has been asked by Congress to verify the citizenship of voters; and

Whereas the INS has complied with the Committee's request and, at the Committee's request, has been doing a manual check of its paper files and providing worksheets containing supplemental information on that manual check to the Committee on House Oversight for over five months; and

Whereas the Committee on House Oversight, subpoenaed the record seized by the

District Attorney of Orange County on February 13, 1997 and has received and reviewed all records pertaining to registration efforts of that group; and

Whereas some Members of the House Oversight Committee are now seeking a duplicate and dilatory review of materials already in the Committee's possession by the Secretary of State of California; and

Whereas the Task Force on the Contested Election in the 46th District of California and the Committee have been reviewing these materials and has all the information it needs regarding who voted in the 46th District and all the information it needs to make the judgments concerning those votes; and

Whereas the Committee on House Oversight has after over nine months of review and investigation failed to present credible evidence to change the outcome of the election of Congresswoman Sanchez and is pursuing never ending and unsubstantiated areas of review; and

Whereas, Contestant Robert Dornan has not shown or provided credible evidence that the outcome of the election is other than Congresswoman Sanchez's election to the Congress; and

Whereas, Loretta Sanchez of the Golden State smiles brighter than Bob Dornan even on a cloudy day.

Whereas Loretta Sanchez, a latino from California, has been persecuted for beating B–2 bomber Bob.

Whereas Loretta Sanchez is working to represent all the people of her district regardless of race, color, creed, gender, national origin or sexual orientation,

Whereas the Republican majority has failed to complete the nation's legislative business on time in each of its majority years,

Whereas many feel that the real bottom line in all of this is that Bob Dornan needs to get a life—and a job,

Whereas, the Committee on House Oversight should complete its review of this matter and bring this contest to an end and now therefore be it;

Resolved, That unless the Committee on House Oversight has sooner reported a recommendation for its final disposition, the contest in the 46th District of California is dismissed upon the expiration of November 7, 1997.

□ 1215

The SPEAKER pro tempore (Mrs. EMERSON). Without objection, the Chair's prior statement will appear in the RECORD at this point.

There was no objection.

The text of the Chair's prior statement is as follows:

Under rule IX, a resolution offered from the floor by a Member other than the Majority Leader or the Minority Leader as a question of the privileges of the House has immediate precedence only at a time designated by the Chair within two legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentlewoman from Georgia [Ms. MCKINNEY] will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 1997

Mr. STUMP. Madam Speaker, I ask unanimous consent for the immediate consideration in the House of the bill (H.R. 2367) to increase, effective as of December 1, 1997, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the bill, as follows:

H.R. 2367

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Compensation Cost-of-Living Adjustment Act of 1997".

SEC. 2. INCREASE IN RATES OF DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION.

(a) RATE ADJUSTMENT.—The Secretary of Veterans Affairs shall, effective on December 1, 1997, increase the dollar amounts in effect for the payment of disability compensation and dependency and indemnity compensation by the Secretary, as specified in subsection (b).

(b) AMOUNTS TO BE INCREASED.—The dollar amounts to be increased pursuant to subsection (a) are the following:

(1) COMPENSATION.—Each of the dollar amounts in effect under section 1114 of title 38, United States Code.

(2) ADDITIONAL COMPENSATION FOR DEPENDENTS.—Each of the dollar amounts in effect under sections 1115(1) of such title.

(3) CLOTHING ALLOWANCE.—The dollar amount in effect under section 1162 of such title.

(4) NEW DIC RATES.—The dollar amounts in effect under paragraphs (1) and (2) of section 1311(a) of such title.

(5) OLD DIC RATES.—Each of the dollar amounts in effect under section 1311(a)(3) of such title.

(6) ADDITIONAL DIC FOR DISABILITY.—The dollar amounts in effect under sections 1311(c) and 1311(d) of such title.

(7) DIC FOR DEPENDENT CHILDREN.—The dollar amounts in effect under sections 1313(a) and 1314 of such title.

(c) DETERMINATION OF INCREASE.—(1) The increase under subsection (a) shall be made in the dollar amounts specified in subsection (b) as in effect on November 30, 1997.

(2) Except as provided in paragraph (3), each such amount shall be increased by the same percentage as the percentage by which benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 1997, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(3) Each dollar amount increased pursuant to paragraph (2) shall, if not a whole dollar amount, be rounded down to the next lower whole dollar amount.

(d) SPECIAL RULE.—The Secretary may adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 (72 Stat. 1263) who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

(e) PUBLICATION OF ADJUSTED RATES.—At the same time as the matters specified in section 215(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are required to be published by reason of a determination made under section 215(i) of such Act during fiscal year 1997, the Secretary of Veterans Affairs shall publish in the Federal Register the amounts specified in subsection (b), as increased pursuant to subsection (a).

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. STUMP

Mr. STUMP. Madam Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. STUMP: Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Compensation Rate Amendments of 1997".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. DISABILITY COMPENSATION.

(a) INCREASE IN RATES.—Section 1114 is amended—

(1) by striking out "$87" in subsection (a) and inserting in lieu thereof "$95";

(2) by striking out "$166" in subsection (b) and inserting in lieu thereof "$182";

(3) by striking out "$253" in subsection (c) and inserting in lieu thereof "$279";

(4) by striking out "$361" in subsection (d) and inserting in lieu thereof "$399";

(5) by striking out "$515" in subsection (e) and inserting in lieu thereof "$569";

(6) by striking out "$648" in subsection (f) and inserting in lieu thereof "$717";

(7) by striking out "$819" in subsection (g) and inserting in lieu thereof "$905";

(8) by striking out "$948" in subsection (h) and inserting in lieu thereof "$1,049";

(9) by striking out "$1,067" in subsection (i) and inserting in lieu thereof "$1,181";

(10) by striking out "$1,774" in subsection (j) and inserting in lieu thereof "$1,964";

(11) in subsection (k)—

(A) by striking out "$70" both places it appears and inserting in lieu thereof "$75"; and

(B) by striking out "$2,207" and $3,093" and inserting in lieu thereof "$2,443" and "$3,426", respectively;

(12) by striking out "$2,207" in subsection (l) and inserting in lieu thereof "$2,443";

(13) by striking out "$2,432" in subsection (m) and inserting in lieu thereof "$2,694";

(14) by striking out "$2,768" in subsection (n) and inserting in lieu thereof "$3,066";

(15) by striking out "$3,093" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$3,426";

(16) by striking out "$1,328" and "$1,978" in subsection (r) and inserting in lieu thereof "$1,471" and "$2,190", respectively; and

(17) by striking out "$1,985" in subsection (s) and inserting in lieu thereof "$2,199".

(b) SPECIAL RULE.—The Secretary of Veterans Affairs may authorize administratively, consistent with the increases authorized by this section, the rates of disability

compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 3. ADDITIONAL COMPENSATION FOR DEPENDENTS.

Section 1115(1) is amended—

(1) by striking out "$105" in clause (A) and inserting in lieu thereof "$114";

(2) by striking out "$178" and "$55" in clause (B) and inserting in lieu thereof "$195" and "$60", respectively;

(3) by striking out "$72" and "$55" in clause (C) and inserting in lieu thereof "$78" and "$60", respectively;

(4) by striking out "$84" in clause (D) and inserting in lieu thereof "$92";

(5) by striking out "$195" in clause (E) and inserting in lieu thereof "$215"; and

(6) by striking out "$164" in clause (F) and inserting in lieu thereof "$180".

SEC. 4. CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS.

Section 1162 is amended by striking out "$478" and inserting in lieu thereof "$528."

SEC. 5. DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES.

(a) NEW LAW RATES.—Section 1311(a) is amended—

(1) by striking out "$769" in paragraph (1) and inserting in lieu thereof "$850"; and

(2) by striking out "$169" in paragraph (2) and inserting in lieu thereof "$185".

(b) OLD LAW RATES.—The table in subsection (a)(3) is amended to read as follows:

"Pay grade

	Monthly rate
E–1	$850
E–2	850
E–3	850
E–4	850
E–5	850
E–6	850
E–7	879
E–8	928
E–9	[1]968
W–1	898
W–2	934
W–3	962
W–4	1,017
O–1	898
O–2	928
O–3	992
O–4	1,049
O–5	1,155
O–6	1,302
O–7	1,406
O–8	1,541
O–9	1,651
O–10	[2]1,811

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,044.

"[2] If the veteran served as Chairman or Vice-Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,941.";

(c) ADDITIONAL DIC FOR CHILDREN.—Section 1311(b) is amended by striking out "$100" and all that follows and inserting in lieu thereof "$215 for each such child.".

(d) AID AND ATTENDANCE ALLOWANCE.—Section 1311(c) is amended by striking out "$195" and inserting in lieu thereof "$215".

(e) HOUSEBOUND RATE.—Section 1311(d) is amended by striking out "$95" and inserting in lieu thereof "$104".

SEC. 6. DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN.

(a) DIC FOR ORPHAN CHILDREN.—Section 1313(a) is amended—

(1) by striking out "$327" in paragraph (1) and inserting in lieu thereof "$361";

(2) by striking out "$471" in paragraph (2) and inserting in lieu thereof "$520";

(3) by striking out "$610" in paragraph (3) and inserting in lieu thereof "$675"; and

(4) by striking out "$610" and "$120" in paragraph (4) and inserting in lieu thereof "$675" and "$132", respectively.

(b) SUPPLEMENTAL DIC FOR DISABLED ADULT CHILDREN.—Section 1314 is amended—

(1) by striking out "$195" in subsection (a) and inserting in lieu thereof "$215";

(2) by striking out "$327" in subsection (b) and inserting in lieu thereof "$361";

(3) by striking out "$166" in subsection (c) and inserting in lieu thereof "$182".

SEC. 7. EFFECTIVE DATE.

The amendments made by this Act shall take effect on December 1, 1997.

Mr. STUMP (during the reading). Madam Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER pro tempore. The gentleman from Arizona [Mr. STUMP] is recognized for 1 hour.

Mr. STUMP. Madam Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. EVANS], pending which I yield myself such time as I may consume.

Madam Speaker, H.R. 2367, as amended, is the cost of living amendment or the COLA bill. The bill increases the rate of compensation for veterans with service-connected disabilities and the rate of dependency and indemnity compensation for the survivors of certain veterans. The rate of increase would follow Social Security Administration figures and be effective December 1, 1997.

Madam Speaker, I reserve the balance of my time.

Mr. EVANS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I thank the chairman of the committee for introducing this important legislation. I strongly support this bill, which maintains the value of the compensation benefits received by our service-connected disabled veterans and their families. Because the Nation's economy is strong and the rate of inflation is low, this year's cost of living increase for veterans receiving compensation is correspondingly modest.

Specifically, this legislation codifies a 2.1-percent increase in service-connected compensation benefits. By enacting this bill, we are keeping our promise to our veterans with service-connected disabilities. The 2.1 percent VA compensation cost of living increase provided by this bill is the same rate of increase being provided to beneficiaries of Social Security. I urge my colleagues to support this measure.

Madam Speaker, I reserve the balance of my time.

Mr. STUMP. Madam Speaker, I yield such time as he may consume to the gentleman from New York [Mr. QUINN], the chairman of the Subcommittee on Benefits, for a further clarification of H.R. 2367.

Mr. QUINN. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, this afternoon I join the gentleman from Arizona [Mr. STUMP] and the gentleman from Illinois [Mr. EVANS] to pass H.R. 2367, a bill that would provide a cost of living increase to 2.3 million veterans who are in receipt of service-connected disability compensation and nearly 330,000 survivors receiving dependency indemnity compensation, DIC. The bill would increase these benefits by 2.1 percent, the same percentage as given to Social Security recipients. I would also note that all the DIC recipients will get a full COLA.

Finally, the bill codifies the 1998 rates in title 38. Madam Speaker, this bill demonstrates the Congress's continuing commitment to keeping veterans benefits in line with the cost of living. This means that disabled veterans and their survivors will be able to maintain their standard of living. The extra money for dependents and clothing allowances will also make a positive contribution.

Madam Speaker, our disabled veterans represent the finest this Nation has to offer. They made a commitment to the Nation and we are keeping our commitment to them.

Finally, Madam Speaker, I want to thank and compliment the gentleman from California [Mr. FILNER], our ranking member on the subcommittee, as well as the gentleman from Texas [Mr. RODRIGUEZ] for their help throughout the hearings.

Mr. EVANS. Madam Speaker, I yield 1 minute to the gentleman from Texas [Mr. RODRIGUEZ], a member of the committee.

Mr. RODRIGUEZ. Madam Speaker, I want to first of all take this opportunity to congratulate the gentleman from Illinois [Mr. EVANS], the gentleman from New York [Mr. QUINN], and the gentleman from Arizona [Mr. STUMP] for their efforts and leadership in this particular area.

I rise today in strong support of this bill to increase veterans disability payments. From December 1, 1997, all 2.3 million veterans and 307,000 survivors receiving compensation payments will see the amount of their disability check increase by 2.1 percent. The boost cannot come any sooner. Today we find many of our Nation's veterans and their families living from paycheck to paycheck. The least we can do for these individuals is to provide them with this opportunity and these cost of living increases. That is the right thing

to do, especially after they have given to this country as much as they have.

I want to thank again the members of the committee for their efforts.

Mr. STUMP. Madam Speaker, I yield myself such time as I may consume.

I would like to thank the gentleman from New York [Mr. QUINN] and the gentleman from California [Mr. FILNER], the chairman and ranking member of the Subcommittee on Benefits, as well as the gentleman from Illinois [Mr. EVANS], the ranking member of the full committee, for all their support on this bill. Their efforts are greatly appreciated by all the veterans.

Mr. FILNER. Madam Speaker, we who serve as members of the Committee on Veterans' Affairs have many responsibilities. Our primary commitment, however, is to those men and women who are disabled while serving on active duty in America's Armed Forces and to their families. Accordingly, I rise in strong support of H.R. 2367, the Veterans' Compensation Cost-of-Living Adjustment Act of 1997.

Under this measure, more than 2½ million service-disabled veterans nationwide, and their surviving spouses, will receive an increase in their disability-related benefits on December 1 of this year. In the great State of California alone, more than 220,000 veterans injured in service to our country will receive this enhanced benefit.

I am privileged to serve on the Veterans' Affairs Committee and to work on behalf of those whose sacrifices have protected the freedoms on which our Nation is founded. We, as free men and women, owe a unique debt to our veterans, and I urge my colleagues to join me in fulfilling this special obligation by supporting H.R. 2367.

Mr. STEARNS. Madam Speaker, I rise today in strong support of H.R. 2367, the Veterans' Cost-of-Living Adjustment Act, which was introduced by Chairman STUMP.

It is fitting and right that our Nation's veterans be given a full COLA for fiscal year 1998. The 2.6 million veterans who receive disability compensation are entitled to this increase in their benefits. After all, these benefits were earned by these men and women in service to their country. They deserve to be compensated because in many cases their earning capacity was diminished due to injuries sustained during their military service.

Many veterans reside in Florida and I know firsthand how difficult it is for many of them to make ends meet. Passage of this bill will offer these valiant men and women who served our country a little more purchasing power. This legislation also provides a partial compensation to the widows and children of veterans whose deaths were found to be service-connected. This too is fitting and right.

Again, I commend your leadership on this bill, Chairman STUMP, and I am pleased to offer my unqualified support for its passage.

Mr. STUMP. Madam Speaker, I reserve the balance of my time.

Mr. EVANS. Madam Speaker, I yield back the balance of my time.

Mr. STUMP. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Arizona [Mr. STUMP].

The amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title of the bill was amended so as to read: "A bill to amend title 38, United States Code, to provide a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans".

A motion to reconsider was laid on the table.

DENYING VETERANS BENEFITS TO PERSONS CONVICTED OF FEDERAL CAPITAL OFFENSES

Mr. STUMP. Madam Speaker, I ask unanimous consent for the immediate consideration in the House of the Senate bill (S. 923) to deny veterans benefits to persons convicted of Federal capital offenses.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DENIAL OF VETERANS BENEFITS

Notwithstanding any other provision of law, a person who is convicted of a Federal capital offense is ineligible for benefits provided to veterans of the Armed Forces of the United States pursuant to title 38, United States Code.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. STUMP

Mr. STUMP. Madam Speaker, in lieu of the committee amendment, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. STUMP: Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. DENIAL OF ELIGIBILITY FOR INTERMENT OR MEMORIALIZATION IN CERTAIN CEMETERIES OF PERSONS COMMITTING FEDERAL CAPITAL CRIMES.

(a) PROHIBITION AGAINST INTERMENT OR MEMORIALIZATION IN CERTAIN FEDERAL CEMETERIES.—Chapter 24 of title 38, United States Code, is amended by adding at the end the following new section:

"§ 2411. Prohibition against interment or memorialization in the National Cemetery System or Arlington National Cemetery of persons committing Federal or State capital crimes

"(a)(1) In the case of a person described in subsection (b), the appropriate Federal official may not—

"(A) inter the remains of such person in a cemetery in the National Cemetery System or in Arlington National Cemetery; or

"(B) honor the memory of such person in a memorial area in a cemetery in the National Cemetery System (described in section 2403(a) of this title) or in such an area in Arlington National Cemetery (described in section 2409(a) of this title).

"(2) The prohibition under paragraph (1) shall not apply unless written notice of a conviction or finding under subsection (b) is received by the appropriate Federal official before such official approves an application for the interment or memorialization of such person. Such written notice shall be furnished to such official by the Attorney General, in the case of a Federal capital crime, or by an appropriate State official, in the case of a State capital crime.

"(b) A person referred to in subsection (a) is any of the following:

"(1) A person who has been convicted of a Federal capital crime for which the person was sentenced to death or life imprisonment.

"(2) A person who has been convicted of a State capital crime for which the person was sentenced to death or life imprisonment without parole.

"(3) A person who—

"(A) is found (as provided in subsection (c)) to have committed a Federal capital crime or a State capital crime, but

"(B) has not been convicted of such crime by reason of such person not being available for trial due to death or flight to avoid prosecution.

"(c) A finding under subsection (b)(3) shall be made by the appropriate Federal official. Any such finding may only be made based upon a showing of clear and convincing evidence, after an opportunity for a hearing in a manner prescribed by the appropriate Federal official.

"(d) For purposes of this section:

"(1) The term 'Federal capital crime' means an offense under Federal law for which the death penalty or life imprisonment may be imposed.

"(2) The term 'State capital crime' means, under State law, the willful, deliberate, or premeditated unlawful killing of another human being for which the death penalty or life imprisonment without parole may be imposed.

"(3) The term 'appropriate Federal official' means—

"(A) the Secretary, in the case of the National Cemetery System; and

"(B) the Secretary of the Army, in the case of Arlington National Cemetery.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 24 of such title is amended by adding at the end the following new item:

"2411. Prohibition against interment or memorialization in the National Cemetery System or Arlington National Cemetery of persons committing Federal or State capital crimes.".

(c) EFFECTIVE DATE.—Section 2411 of title 38, United States Code, as added by subsection (a), shall apply with respect to applications for interment or memorialization made on or after the date of the enactment of this Act.

SEC. 2. CONDITION ON GRANTS TO STATE-OWNED VETERAN CEMETERIES.

Section 2408 of title 38, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

"(d)(1) In addition to the conditions specified in subsections (b) and (c), any grant made on or after the date of the enactment of this subsection to a State under this section to assist such State in establishing, expanding, or improving a veterans' cemetery shall be made on the condition described in paragraph (2).

"(2) For purposes of paragraph (1), the condition described in this paragraph is that, after the date of the receipt of the grant, such State prohibit the interment or memorialization in that cemetery of a person described in section 2411(b) of this title, subject to the receipt of notice described in subsection (a)(2) of such section, except that for purposes of this subsection—

"(A) such notice shall be furnished to an appropriate official of such State; and

"(B) a finding described in subsection (b)(3) of such section shall be made by an appropriate official of such State.".

Mr. STUMP (during the reading). Madam Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER pro tempore. The gentleman from Arizona [Mr. STUMP] is recognized for 1 hour.

Mr. STUMP. Madam Speaker, I yield 30 minutes to the gentleman from Illinois {Mr. EVANS] pending which I yield myself such time as I may consume.

Madam Speaker, S. 923 is a bill to deny burial in a national cemetery to veterans convicted of capital offenses. During our committee hearings on this measure, and a similar measure which the gentleman from Illinois [Mr. EVANS] and I introduced, we heard testimony from all the major veterans service organizations. Although none of the organizations oppose the concept of the legislation in this area, they all urged the committee to be very careful about taking away earned benefits from veterans who have served their country honorably.

Existing law requires the reduction of compensation benefits to veterans serving prison terms, and there are provisions which revoke all benefits for certain crimes, such as treason or espionage.

Our committee carefully examined a number of proposals which would deny benefits to a certain class of veterans and reached a bipartisan conclusion on the legislation before the House. The committee chose not to limit benefits other than burial in a national cemetery at Arlington or in State veterans cemeteries.

However, the House amendment does expand the types of crimes which could lead to loss of benefits to both State and Federal capital crimes. I want to note the role of the gentleman from Alabama [Mr. BACHUS] in insisting that the bill address State capital crimes. I would also like to thank the gentleman from Texas [Mr. RODRIGUEZ] for his careful examination of the legislation and for his suggestions regarding veterans who may not stand trial for capital offenses.

Madam Speaker, I reserve the balance of my time.

Mr. EVANS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of the amendment in the nature of a substitute to this bill offered by the distinguished gentleman from Arizona [Mr. STUMP], the chairman of the Committee on Veterans' Affairs. The amendment is a measured response to a difficult and complex question: Under what circumstances should a veteran who has served our country honorably be denied the privilege of a burial in a cemetery set aside for the repose of veterans?

This bill recognizes that some former members of the Armed Forces have been found guilty of acts so egregious in the eyes of the Nation that they should forfeit their right to burial in a cemetery dedicated to veterans. S. 923, as amended, recognizes the special value of service to our country. It reinforces the general principle of veterans rights earned in service to this Nation may be abridged only in the most extraordinary circumstances, extraordinary circumstances which justify an abridgement of the right to burial in a veterans cemetery are specified in this legislation.

The amendment offered by the gentleman today, which I support, varies from the version passed by the full committee. These changes clarify the intent of the committee to prevent the burial of former military members who engaged in postmilitary service acts so offensive to preclude their burial in those cemeteries which have been set aside for the repose of our Nation's veterans. Veterans who are convicted of Federal capital crimes and of murder in State capital cases will be barred from burial in the National Cemetery Service, Arlington National Cemetery, and any State's veterans cemetery which has received a grant from the Department of Veterans Affairs for such cemetery on or after the date of the enactment of this bill.

Veterans who fled to avoid prosecution or who have lost their life as a result of a Federal and State capital crime which otherwise would have resulted in the sentence of death or life imprisonment as defined by this bill will also be barred from burial in a veterans cemetery. An earlier version of this bill would have denied the burial benefits to veterans who had not been tried by reason of insanity.

As a result of the concerns raised by the distinguished gentleman from Texas [Mr. RODRIGUEZ], it became clear that such a course would be unwise. I want to thank my colleagues on the committee and particularly the gentleman from New York [Mr. QUINN], the chairman of the subcommittee, who worked diligently to address these issues contained in this legislation. I urge my colleagues to support this measure.

Madam Speaker, I reserve the balance of my time.

Mr. STUMP. Madam Speaker, I yield such time as he may consume to the gentleman from New York [Mr. QUINN], the chairman of the subcommittee.

Mr. QUINN. Madam Speaker, I thank the gentleman for yielding me this time. The bill before the House this afternoon reflects an amendment to S. 923 as reported by the House Committee on Veterans' Affairs. As amended, S. 923 would prohibit burial or memorialization in a national cemetery, Arlington National Cemetery or, prospectively, any State cemetery for which a State receives funding from the VA to anyone convicted of a Federal capital crime or any State capital crime involving the loss of one or more lives. It also gives the appropriate Federal and State officials the authority to deny burial to those who are shown by clear and convincing evidence are guilty of such a crime but are unavailable because they have avoided prosecution or died prior to trial. The bill does not affect other burial benefits such as a flag, Presidential certificates, or burial payments.

Madam Speaker, in crafting this bill and this legislation before us, we have adopted the Senate's desire to include all Federal capital crimes but, in recognition of a veteran's honorable service, we have retained the very limited denial of benefits contained in H.R. 2040 introduced by the gentleman from Arizona [Mr. STUMP]. As amended, S. 923 will not distinguish between a crime against a Federal official or a private citizen, Federal or State law.

We believe that the bill amendment strikes a reasonable position, as the gentleman from Illinois [Mr. EVANS], the ranking member, just mentioned, that protects the status of honorable military service while recognizing at the same time the heinous nature of capital crimes.

Madam Speaker, I want to emphasize to all of our colleagues that this bill does not violate constitutional provisions against ex post facto laws, nor does it qualify as a bill of attainder. This bill is an exercise of the Congress' constitutional authority to prescribe eligibility for any veterans benefit and, because we are proscribing a class of persons, this is not a bill of attainder.

Madam Speaker, in closing, I genuinely want to thank our ranking member of the subcommittee, the gentleman from California [Mr. FILNER], the gentleman from Alabama [Mr. BACHUS], the gentleman from Arkansas [Mr. SNYDER], and the gentleman from Texas [Mr. RODRIGUEZ] for their work on this bill.

We scheduled extra meetings in my office and had meetings with the chairman and the ranking member, and, in my estimation, when we had to deal with some very emotional issues, we took a measured, timed approach to end up with a truly bipartisan effort here this afternoon.

I thank my friends and colleagues on both sides of the aisle for their interest and the time they spent. I think we end up with at least a bill we can take to the full Congress.

Mr. EVANS. Madam Speaker, I yield 4 minutes to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, I compliment the chairman of the committee and the ranking member of the committee, as well as other Members, the gentleman from Texas [Mr. RODRIGUEZ], the gentleman from New York [Mr. QUINN], and the gentleman from Alabama [Mr. BACHUS], for their efforts in this regard.

Madam Speaker, imagine yourself a member of a family who has a loved one, a veteran who has passed on, who is buried in a national cemetery, either in Arlington or another national cemetery such as the one we have, one of three we have in Missouri. Also imagine that in a plot nearby, a convicted mass murderer, a veteran, is buried.

What would the reaction of you or the family be? Anguish? Disappointment?

This law, that hopefully will pass and be on the books, covers that loophole. I testified before the House Committee on Veterans' Affairs concerning this issue. I recommended then that the present law be changed to prohibit convicted murderers and terrorists from being buried in national cemeteries.

The current law prohibits burial in national cemeteries of veterans who have been convicted of certain crimes. However, the law has a loophole which needs to be closed. The existing law does not prohibit veterans who use weapons of mass destruction against property or persons of the Federal Government or murder of a Federal law enforcement officer or the crime of terrorism from being buried in national cemeteries.

This, of course, was brought to my attention as a result of the mass murder of 168 Americans in Oklahoma City on April 19, 1995, and the subsequent conviction of a man who happened to be a veteran.

Missouri, Madam Speaker, has three national cemeteries, Jefferson City National Cemetery, the Springfield National Cemetery, and Jefferson Barracks National Cemetery, the latter of which is in St. Louis. We should reserve our national cemeteries for individuals who served and sacrificed for love of country, those who in later life would be role models for those who follow them as members of the armed services or as veterans.

The honor that accompanies burial in a national cemetery is a guarded treasure. The men and women who faced unparalleled adversity while serving their country deserve a patriotic and esteemed burial.

It is with these thoughts in mind that I not only compliment the committee, the chairman and ranking member and those who worked on it, but I endorse it wholeheartedly and urge its passage.

Mr. STUMP. Madam Speaker, I yield 3 minutes to the gentleman from Alabama [Mr. BACHUS], a member of the committee.

Mr. BACHUS. Madam Speaker, I thank the gentleman for yielding me time.

Madam Speaker, I want to commend the chairman of our committee, the gentleman from Arizona [Mr. STUMP], and the gentleman from New York [Mr. QUINN], the chairman of the subcommittee. What they have done through their leadership on this bill is to give us a much better piece of legislation than what we had when it came over from the Senate.

The bill is not to punish; the bill is to protect our veterans. It is to respect our veterans. It is meant to protect them. It is not punitive. This bill does a very fine job of doing that.

When the bill came over from the Senate, the gentleman from Missouri [Mr. SKELTON] talked about a loophole, and I think that is a very good word. I think the gentleman is correct, in that when it came over from the Senate it said that certain people could not be buried in a National Cemetery if they had committed a Federal offense or a Federal capital offense. We agreed with that.

But the Committee on Veterans' Affairs felt we should not set up a preference for someone who commits Federal offenses, nor should there be preferential treatment given to Federal offenses as opposed to State offenses. In other words, if you blew up a Federal building, if you killed a Federal officer, if you committed a murder on an Indian reservation, you would be prohibited from being buried in a national cemetery; but if you blew up a city hall, if you killed a sheriff, if you walked in a McDonald's and killed 20 people, there would be no prohibition on you, a mass murderer, being buried in a national cemetery.

We took care of that simply by saying that all capital offenses were covered. What the gentleman from Arizona [Mr. STUMP] took leadership on is he was interested in respecting our cemeteries, preserving their dignity, thinking about those heroes who are buried there, and our statement to the Nation on who are our heroes.

The Senate bill, I think, was punitive, in that it denied to the widows, to the dependents, all benefits, and that was not what we were after. That is not what we were seeking. We were seeking to protect and to respect, not to be punitive.

The final product I wholly endorse. I originally introduced part of this legislation in response to a lynching of a 19-year-old young man in Mobile County. The bill that came from the Senate would not have addressed this. The people that participated in the military honor guard protested having to participate in honoring a man who had just been executed in the electric chair in Alabama. The Senate bill did not address that; the House bill did.

Madam Speaker, this is a much better bill, and I urge its passage, and I thank the chairman and the subcommittee chairman.

Mr. EVANS. Madam Speaker, I yield the balance of my time to the gentleman from Texas [Mr. RODRIGUEZ], a fighter for veterans and member of the committee.

Mr. RODRIGUEZ. Madam Speaker, I rise today to commend the leadership for taking swift and precise action to prevent violent criminals from being honored in our Nation's veterans' cemeteries.

The bill we are passing today amends earlier provisions which may have unfairly targeted those who would be blamed, veterans' families or veterans who suffer from mental illness. I believe the focus of this bill on actual convicts and veterans who obviously committed the crime with the requisite mental intent protects due process for veterans and their families.

In protecting veterans and veterans' families from the arbitrary elimination of benefits, this legislation strikes the resounding chord that we will not bless criminal veterans with the honor of burial in our national cemeteries.

Madam Speaker, in closing, let me thank the chairman and the ranking member, as well as the gentleman from New York, Chairman QUINN. I think the gentleman did an exceptional job in reaching out to us in a bipartisan manner.

Mr. EVANS. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. STUMP. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, once again I would like to commend the gentleman from New York [Mr. QUINN] and the gentleman from California [Mr. FILNER], the chairman and ranking member of this subcommittee, and also again the gentleman from Alabama [Mr. BACHUS] and the gentleman from Texas [Mr. RODRIGUEZ] and the ranking member of the full committee, the gentleman from Illinois [Mr. EVANS], for all their fine work on this bill. I think we have come up with a very fine product, and I would urge all Members to support it.

Mr. KNOLLENBERG. Madam Speaker, I rise in strong support of S. 923, a bill to deny

veterans burial benefits to persons convicted of Federal capital offenses. I would also like to commend the chairman of the House Veterans' Affairs Committee, Mr. STUMP, for his guidance in bringing this important bill before the House.

On June 18, I introduced H.R. 1955 which is similar to the legislation before the House today. As a member of the VA–HUD Appropriations subcommittee, I felt it was necessary and appropriate to introduce this legislation after the Senate passed S. 923 by a vote of 98 to 0.

As pictures of the Oklahoma City bombing were brought into the lives of everyone across this great country, no one watched with more horror than I did. It will always remain ingrained in our hearts, our minds, and our souls.

Like the rest of the Nation, I was saddened more by the fact the person responsible for killing 168 people in the most heinous domestic terrorist act ever committed could receive a hero's burial with taps, a 21-gun salute, and a flag-draped coffin.

S. 923 is the right thing to do. Our Nation's veterans' cemeteries are sacred ground, and they are a solemn and sad reminder of the price our Nation has paid for the freedom we enjoy every day. It is wrong for those veterans and their dependents to live with the thought that someone who has killed so many innocent lives on our own soil could be laid to rest next to these fallen heroes.

I commend Chairman STUMP and the rest of the Veterans' Committee for their diligence on this issue. I would also like to thank the chairman for allowing me to testify before his committee on this very issue. All of us, including myself, who served in our armed services are thankful for his leadership to ensure our Nation's cemeteries remain sacred.

GENERAL LEAVE

Mr. STUMP. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 923 and H.R. 2367.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. STUMP. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Arizona [Mr. STUMP].

The amendment in the nature of a substitute was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read:

An Act to amend title 38, United States Code, to prohibit interment or memorialization in certain cemeteries of persons committing Federal or State capital crimes.

A motion to reconsider was laid on the table.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

IN HONOR OF JOHN N. STURDIVANT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. MORELLA] is recognized for 5 minutes.

Mrs. MORELLA. Madam Speaker, I rise today to honor the memory of John Sturdivant, a good friend of mine and a good friend of hundreds of thousands of Federal employees, including those he knew personally and those whom he never met. John died after a courageous struggle with cancer on Tuesday night. His death and the loss of his leadership are devastating blows to his family, his friends, and all Federal employees. I will miss him very much.

As president of the American Federation of Government Employees since 1988, John was an outstanding champion of Federal employees during a time of rapid downsizing and unprecedented attacks against Federal employees.

He was a wonderful ally to have in our fight for Federal employees. We worked together to successfully reform the Hatch Act and give Federal employees the political voice they deserve.

In 1995, we stood together protesting the deleterious and wasteful Government shutdowns. He presented not only compelling arguments against the Government shutdowns, but he also voiced the human costs of the Government shutdown in a very powerful way.

He successfully advocated the use of official time and led the charge against excessive Government privatization. John was there, with me and several of my colleagues, as we successfully fought against proposals to reduce Federal retirement benefits. He did not let partisan politics obstruct his pursuit of fairness for Federal employees. We supported one another, I valued his help, his guidance, and his bipartisan approach to Federal employee issues.

He was a man who was selfless in his dedication to AFGE. Enduring his illness, in and out of the hospital, he continued to speak out powerfully on issues involving our civil service.

I offer condolences to his companion, Peggy Potter, his daughter, Michelle Sturdivant, his mother, Ethiel Jessie, and his brother, stepbrother, and sister. May they be strengthened by his inspiration, his warm personality, and his achievements.

Madam Speaker, I honor the memory and the great accomplishments of John Sturdivant, a man who touched the lives of hundreds of thousands of people, and a man who will be greatly missed by all who knew him and by those for whom he fought, who never had the good fortune to meet him.

□ 1245

AN EXTRAORDINARY MONTH FOR WOMEN IN THE HOUSE AND IN THE COUNTRY

The SPEAKER pro tempore (Mrs. EMERSON). Under a previous order of the House, the gentlewoman from the District of Columbia [Ms. NORTON] is recognized for 5 minutes.

Ms. NORTON. Madam Speaker, this has been an extraordinary month for women in the House and in the country, and I want to say a few words about women in both places; first, about women in the House, and then about two issues that concern women throughout the country.

On October 21 the women of the House, those who belong to the Women's Caucus, and that is virtually all of us, had our first ever gala. That gala was given to raise funds for Women's Policy, Inc., and it was a most successful event, with the President and the First Lady and the Secretary of State all coming to pay tribute to 20 years of achievement by women in Congress.

We set an extraordinary bipartisan example. The gentlewoman from Connecticut, Mrs. NANCY JOHNSON, is the Republican cochair this year. Last year the gentlewoman from New York, Mrs. NITA LOWEY was the Democratic cochair, and the gentlewoman from Maryland, Mrs. MORELLA, was the Republican cochair. They kept the caucus alive and bipartisan, and we were pleased to follow in their wake this year.

The caucus simply gets things done. It gets things done any way it can. Sometimes it is by getting policies changed; sometimes it is by getting laws changed. And what does the caucus have to show for 20 years from the work we have done? More women getting mammograms, and therefore a decrease in breast cancer and cervical cancer; the Pregnancy Discrimination Act; the Violence Against Women Act. It is a roster to be proud of.

But as it turns out, October was the awareness month for two concerns that women across the country have given the caucus as their own priorities, Breast Cancer Awareness Month, and Domestic Violence Month.

The Women's Caucus this very year waged a battle for mammograms for women over 40. This was in the tradition of the Women's Caucus, when it looked as though we were about to get a reversal in policy on that very issue. The science did not support a reversal, and we were able to get it changed based on the science.

We pride ourselves in not getting changes like that not on political

grounds, and using the data that is provided us by Women's Policy, Inc., we were able to help turn that decision around. Now women at 40 should get a mammogram every year or every other year.

This is an important issue. It is important to have the focus of women in Congress on it, because since the early seventies the incidence of breast cancer has increased by 1 percent a year, and we do not know why. All we know is that we have to do something about it.

Actually, if mammograms are high quality they can spot breast cancer in women over 50 at a rate of 85 to 90 percent of the incidence of cancer. So we have made a lot of progress.

While we focused on the threat to women at 40, the fact is that I want to remind everybody that it is women who are over 50 who are at greatest risk for breast cancer. If women aged 50 to 69 have regular mammograms, they can reduce their chances of death from breast cancer by one-third, and gradually, by bringing attention to this dreaded disease, we have been able to do something about it.

I do want to put into the record risk factors that are more specific than what we usually hear. These are the risk factors: Having had a previous breast cancer; a specific, identified genetic mutation that may make one susceptible to breast cancer; a mother, a sister, or a daughter, or two or more close relatives with a history of breast cancer, and that could be even cousins; a diagnosis of other types of disease that are pinpointed to predispose one to breast cancer; that is to say, breast disease that predisposes one to breast cancer; dense breast tissue, which makes it difficult to read a mammogram; and having a first child at age 30 or older.

Madam Speaker, this was also Violence Against Women Month. By observing and talking about this terrible epidemic in our country, we are finally bringing it out of its special closet. Some 3 out of every 100 women in this country have been severely assaulted by a partner, that is, not simply a slap, but severely assaulted. They had to go to the emergency room or get medical treatment.

Madam Speaker, I hope what the Women's Caucus has done helps us all to understand the value of the caucus to bring our attention to problems such as these.

THE TRUTH ABOUT VANDALISM AND ILLEGAL PROTEST IN DISTRICT OFFICE OF HON. FRANK RIGGS OF CALIFORNIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. RIGGS] is recognized for 5 minutes.

Mr. RIGGS. Madam Speaker, it is rather unusual circumstances that bring me to the floor to address my colleagues during special orders, but I really feel compelled to make this statement because of some very, I think, one-sided, misleading reports that have appeared in the media recently regarding a protest that occurred at my district office in Eureka, CA, on October 16.

On that day, over 60 protesters stormed my office. They trespassed my office. They threatened, they actually accosted and assaulted my two employees working in the office at the time, both female employees, wonderful, dedicated employees by the names of Julie Rogers and Ronnie Pelligrini, who felt genuinely threatened and frightened for their safety when this incident began.

These protesters, however, four of whom were subsequently arrested, have now gone to the media, along with their criminal defense attorneys, claiming that they were the victims of improper police conduct or inappropriate use of force by law enforcement. So I want to explain exactly what transpired in my office.

First of all, as I mentioned, the group was led by an individual wearing a ski mask and carrying a walkie-talkie. So imagine for a moment if your workplace, your business, your office, was invaded by somebody wearing a ski mask, and a group of protestors.

As they came in the office, as I mentioned, they jostled my employees, who obviously had no idea what was transpiring at the time, and who were attempting to call for help. They then trashed and vandalized my office, throwing bark and sawdust 6 inches deep on all of the equipment and throughout the office on the floor, and they unloaded and wheeled into my office a gigantic tree stump as part of this protest. When they off-loaded the tree stump in the parking lot, they did it with such a thud that my employees initially thought that some sort of a bomb had gone off outside.

Bear in mind, this was all part of an orchestrated protest, part of a series or ongoing series of protests that have become, unfortunately, a fact of life on California's north coast, but involve the harassment of private law-abiding citizens, intimidation, trespassing, vandalism of personal and commercial property, and resisting arrest.

After all this took place, and this was to protest my role in helping to secure congressional authorization and funding for the protection of living wage jobs in the forest product industry, and 7,500 acres of old growth forestland in my district, in the context of the annual spending bill for the Department of the Interior, they were protesting my role in that because they wanted to preserve, they want to preserve, 60,000 acres of forestland, all of it privately owned in our district, and they would like to add that to the vast tracts of forestland that already is in the public domain, under public ownership.

But as this protest continued, four individuals, one of them a minor, all female, chained themselves to this gigantic tree stump in my office. When the local law enforcement agencies arrived, they refused repeated commands, lawful orders from sworn peace officers, to separate themselves.

It turns out they had stuck their arms in metal sleeves, chained themselves to this tree stump, and law enforcement officers explained to these four protestors that not only were they under arrest, not only were they resisting arrest, but that law enforcement was afraid to cut through these metal sleeves for fear that the sparks might set off a fire in the office, which, as I mentioned, had been littered at that point with sawdust and wood chips everywhere.

So after they gave repeated orders to these protestors to separate, to unchain themselves, and to submit to the custody of law enforcement because they were under arrest, after they repeatedly refused these lawful orders, the peace officers involved, who have a very difficult, dangerous, and dirty job to do, then warned that they might use chemical agents to compel them to surrender to arrest. I am a former law enforcement officer myself. That is opposed to some other manner of peaceful restraint. They thought that was the proper arrest technique to use in this situation.

Even then, after being warned repeatedly, they refused to comply with the orders, so the law enforcement officers at that point applied a little pepper spray in the face area of these protestors, who still refused to comply with the orders of the law enforcement officers, who then finally, as a last resort, used a chemical agent called pepper spray to force them to submit to arrest.

Now these protesters are out there with their criminal defense attorneys saying, and I quote one of the attorneys, "The abuse of this extremely dangerous and incredibly painful chemical weapon to force obedience of peaceful protesters is not related to any legitimate law enforcement objective."

I want to conclude by saying that these were not peaceful protesters, these were reckless, wanton lawbreakers. My message to the media is get it right, and tell the rest of the story.

NEED FOR CAMPAIGN FUND-RAISING REFORM HIGHLIGHTED BY SPENDING FOR UPCOMING SPECIAL ELECTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. SNYDER] is recognized for 5 minutes.

Mr. SNYDER. Madam Speaker, over the last several months we have heard a number of discussions about the problem of large donations in our campaign system. I have been up on the floor, as have many people, discussing that issue.

At one time I had a large blown-up check that we had which had been signed by my friend, Ima Big Donor, made out for $1 billion, with a big sign, "To any old political party," a completely and perfectly legal donation under our current campaign laws. I continue to be optimistic that something will occur in this session of Congress that will deal with campaign finance reform.

But when I go back home and make speeches and people ask me, do you think that you all are going to do anything in Washington about campaign finance and these terrible problems we are having, I say, look, it may take one more election cycle. Maybe we will have to go through the 1998 election cycle, and just see these thousands and thousands and millions of these soft dollars, these unregulated, unlimited, huge donations saturate our system to where the outrage of the American people will finally force this Congress, specifically the Republican leadership, to let us take up campaign finance reform.

But I am thinking that maybe we are not going to have to wait that long, because we have some examples right now going on in special elections where we can see and predict what is going to happen in 1998.

Right now in New York this Tuesday there is going to be an election to fill the seat of retired Representative Susan Molinari. We have two candidates, a Democrat, Eric Vitaliano, and a Republican, Vito Fossella. As the press reports a couple of days ago, the Democrat had spent about $35,000 in television ads and the Republican had spent about $85,000. I am sure those numbers are substantially higher now. But what we have is a duel between two local candidates who care very much about their country and are trying to win the election.

But in the middle of this duel comes the 800-pound gorilla. The 800-pound gorilla is the Republican National Committee. Not only is it an 800-pound gorilla, it is an $800,000, $800,000 gorilla that has brought in outside money through the committee saturating the airways to tilt the election toward the Republican.

Our laws do not have loopholes, they have an absolute, major sieve, and have become almost meaningless to deal with these massive amounts of money.

Madam Speaker, for Mr. Vitaliano, the Democratic candidate, he is currently required by Federal law that he can only accept a $1,000 donation from any individual, and he can only accept $5,000, maximum, from any political action committee.

The Republican National Committee has absolutely no limit on the amount of money it can accept into the party as soft money, and in fact, there have been reports of donations over $1 million, and I suspect we will see more of those to that size.

So what is the problem? The problem for the voters of New York, they are going to have to decide if that seat is for sale to the highest bidder. Folks say, well, Democrats do it, too. But I do not think that makes it in any better.

All it means is if you are a local person sitting in New York, you are going to say, is the amount of Republican money coming in from the outside going to win the day or the bid, or will it be offset by the amount of the Democratic money coming from outside New York? Is that going to tip the scale? The seat becomes for sale to the highest bidder.

The problem for our system is two, as I see it. No. 1, what do those huge donations buy? Is it access? That is what we often hear. Is it access, the ability of someone who makes a $300,000 donation to get into the seat of power and discuss the issues that a person who makes a $25 donation does not get to do?

□ 1300

I think that is one of the problems. The other one is this issue of the 800-pound gorilla. When I am a candidate and I announce for a race, I call my brother-in-law and he sends me $25, and I call the guy down the street and he sends me $100.

The outside money in these huge amounts, $800,000, absolutely overwhelms the local fundraising. It distorts the local politics. It makes the race one in which outside huge money powers control the race, and I think that is wrong.

We have a second example. Our dear friend, Walter Capps, passed away just a few days ago, and there is obviously going to be a special election. There is already discussion out there in California about who is going to be in the race, and Walter's funeral has not even occurred yet.

Yesterday's Roll Call newspaper has a quote discussing that race from an employee of the National Republican Congressional Committee, and this is what he said. "We will do whatever it takes to win this seat. That means spending whatever it takes, ground troops, party money. This is the kind of seat where we will go to war to win."

Well, aside from perhaps commenting on the crassness of making such a statement even before poor Walter has had his funeral, listen to those terms. "Party money." Not "local money," "party money." The $800,000 gorilla presents his head. It is wrong.

Mr. Speaker, this Congress needs campaign finance reform.

BREAST CANCER AWARENESS MONTH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, as you are aware, October is National Breast Cancer Awareness Month. Why is the issue so important? It is important because breast cancer is the most common major cancer for women. Every 3 minutes, a woman in the United States is diagnosed with breast cancer.

This devastating disease is the second leading cause of death among cancer victims overall. Today there are more than 2.6 million women living with breast cancer, women who struggle daily against the ravages of this killing disease. Of those 2.6 million American women, 71,000 of them are in North Carolina. Many of these aforementioned women are undiagnosed, do not know they have the disease.

Fortunately, through research developments, we have effective methods of detection that are improving steadily. However, no technique, no matter how effective, can diagnose women who do not have adequate access to health care.

Each year on average 182,000 women are diagnosed with breast cancer. Of that total, 16,000 are Afro-American and over 4,900 of them are from North Carolina.

While the prognosis is good for many women with breast cancer, it often proves fatal for those women whose cancer is not discovered until it is very late in their lives.

Mr. Speaker, the losses we have as a Nation suffered are staggering as a result of this. Each year on average nearly 44,000 women succumb to breast cancer; 44,000 mothers, sisters, daughters, spouses, partners, and friends. Mr. Speaker, 5,200 of those women are, again, Afro-American women; 1,200 of them are from my home State of North Carolina.

Mr. Speaker, I cannot stress enough how critical it is to study this insidious disease further, for 80 percent of women diagnosed with breast cancer do not fall into any known high-risk category, so they do not know they have it.

This is an issue for all of us, not just those with a family history of breast cancer. The incidence of breast cancer has been rising steadily since 1940, but none of the experts have been able to ascertain why. We do not know how to cure this disease or even how to prevent it. Significant strides have been made in detection and treatment of breast cancer, but we still have a long way to go.

The economic impact on the United States is incredible. Breast cancer costs the United States over $6 billion annually in medical care and the loss of productivity.

Mr. Speaker, two of my colleagues in Congress, the gentlewoman from Connecticut [Ms. DELAURO] and the gentlewoman from California [Ms. ESHOO], have begun an Internet petition drive calling for improved insurance coverage for breast cancer. Those who wish to add their name to the list should use the following address: http://breastcare.shn.com.

Mr. Speaker, we must be committed to finding a cure for this cancer as well as many other devastating diseases. We all can help because cancer, indeed, claims many of our loved ones.

TRIBUTE TO FORMER CONGRESSMAN JOEL PRITCHARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. WHITE] is recognized for 5 minutes.

Mr. WHITE. Mr. Speaker, in recent weeks, the House has lost a man who should be an example to all of us, and I just wanted to spend a few minutes today talking about him.

Joel Pritchard, who served in this House from 1972 to 1984, died earlier this month in Seattle. There was a memorial service here last night over in the Cannon Office Building that many of us attended. There was a funeral service in Seattle several weeks ago. Unfortunately, Mr. Speaker, I will never be able to match the observations that were made at those two proceedings about what a wonderful person Joel was, but I would like to make just a few observations of my own.

First of all, I think that for those of us in the House it would be good for us to recognize that Joel was everything that we so often are not. Joel was always cheerful. He was always positive. He never said an unkind word about anybody. Nobody could remember one in all of his long years here in the House of Representatives.

Joel was the sort of person who believed that one could accomplish anything they wanted to accomplish if they did not care who got the credit. And I think those are all things that we can could stand to remember today.

Mr. Speaker, I would like to enter into the RECORD two things: First, a column that appeared in the Seattle papers just a week or two after Joel died by Adele Ferguson that makes the comment at the end of the article that, "Joel Pritchard is an argument for human cloning."

I think that is something that those of us who knew him would agree with.

Include the following for the RECORD.

A MAN OF HIS WORD, JOEL PRITCHARD GAVE POLITICIANS A GOOD NAME

(By Adele Ferguson)

Few, in my nearly 40 years of covering the doings of politicians, had what I called HIGI, for honesty, intelligence, guts and integrity, and Joel Pritchard was one of them.

If anybody remembers that classic television series about a congressman called "Slattery's People," the former Seattle congressman and lieutenant governor who died of lymphoma at age 72, was Slattery. He was walking integrity.

He was also fun. He used to come charging up out of his seat in the state House like a seltzer fizz, and the foam just got all over everybody. Everybody liked him and everybody listened to him because he only talked when he had something to say. When Pritchard said something came "slithering" over from the Senate, everybody else had to say it too, over and over again.

It was Pritchard who told me that when he shared a house with then-fellow Reps. Dan Evans, Slade Gorton and Chuck Moriarty, Evans was the only one who made his bed before they left each morning. He shared with me his disgust as fellow legislators who, during the morning prayer, shuffled and read papers on their desks instead of concentrating on the message.

Once, when rumors were hot about something the Republicans were up to, I asked him about it, and he looked sad. "Adele," he said, "I know exactly what you want to know, but I am part of it and I am sworn to secrecy." When he was not sworn to secrecy, however, he was candid and trusting that I would not misuse his confidences. I knew a lot I couldn't write.

Pritchard had been in the Legislature for 12 years when he decided it was time to move on, and he'd always said he wasn't going to grow old in the office just listening to the lobbyists tell him what a good guy he was.

One of his neighbors at his summer place on Bainbridge Island was U.S. Rep. Tom Pelly, who had served in Congress for 18 years. Too long, Pritchard said. It was time for new blood, new ideas. He never said a bad word about Pelly, who survived the primary challenge, but who got the message and retired the next time around, leaving the field to Pritchard.

God and the voters willing, Pritchard said, he would limit his time in Congress to 12 years, which he did, despite a burgeoning tide of encouragement, including mine, to accept a draft to stay on.

In 1988, Lt. Gov. John Cherberg retired and Pritchard decided to run for the open seat. He would never have challenged Cherberg, who not only was a good friend but his football coach at Cleveland High School.

Pritchard told me that during World War II, when he was an Army private slogging through the jungles of Bougainville, a fellow soldier gasped, "How are we ever going to get use to this awful heat and being thirsty all the time?"

"You should have played for my high school football coach," Pritchard gasped back. "You would have gotten use to it." Cherberg never let his players go to the drinking fountain during practice. "He though it was bad for you," Pritchard said.

He promised, on his election to succeed Cherberg, that he would only serve two terms and not run for governor. He kept that promise too.

Three bouts of cancer never diminished his spirit, although he was saddened by two failed marriages. He was a devoted brother and father. A voracious reader, he wanted everybody to enjoy reading as much as he did and spent much of his spare time as a tutor.

Joel Pritchard was one of the finest public officials and human beings I ever met. Joel Pritchard made being a politician respectable. Joel Pritchard is an argument for human cloning.

Also, Mr. Speaker, I would like to enter in the RECORD the last public writing that Joel had. It appeared less than 2 months ago in one of the Seattle papers. It is a subject that I think all of us could benefit from in this House. It is entitled "The 10 Habits of Highly Effective Legislators." If I could take just a minute or two to point out a couple of things that Joel was talking about in here.

He said that among the 10 habits of highly effective legislators was the fact that, No. 1, they keep their egos under control. Another thing that he mentioned was that highly effective legislators refuse to take themselves too seriously. He also said that highly effective legislators demonstrate their integrity by admitting their imperfections, and he has several other things here that I think we could learn from here. I will include this article as well for the RECORD.

[From the Seattle Times, Sept. 7, 1997]

THE 10 HABITS OF HIGHLY EFFECTIVE LEGISLATORS

What does it take to become an effective lawmaker? State and national political veteran Joel Pritchard has seen a lot of promising candidates wither on the political vine. One thing he has learned: A winning campaign style does not translate into legislative competence. In this era of term limits, he offers 10 characteristics of successful politicians—attributes voters should consider when evaluating candidates.

(By Joel Pritchard)

Campaign season is a good time for voters to think about what it takes to be an effective office-holder as compared to what it takes to be an effective political candidate.

The requirements not only are different, they often are contradictory, and they are not always obvious. In 32 years of political service, I witnessed numerous state legislators and members of Congress who possessed the intellectual capacity and energy to be effective public officials, but somehow did not develop the habits that would make them so. Still, some were very accomplished at winning elections back home. Others simply self-destructed in politics as well as statesmanship.

Two come immediately to mind. One was a young Washington state legislator who was smart and articulate; the kind to whom the media attach the word "promising." But he refused to acquire understanding and competence in legislative practices. Instead, he developed as his primary interest finding opportunities to make public criticisms of minor problems at state agencies. This approach interested few constituents.

The other was a Western state congressman who wasn't effective in the House because of a quiet reputation for being untrustworthy. His constituents probably didn't distrust his word, because they didn't see him in action, close up. But his colleagues learned that they could not count on him, and, believe it or not, that is still an important standard in legislative chambers. In addition, this individual made it his custom to encourage voters in neighboring congressional districts to criticize their own representatives. That may not be immoral, but it certainly is foolish if you want your colleagues to cooperate with you later on matters that you care about.

Neither of these individuals is still in office.

Two other members of Congress that I encountered—one from the Southwest and the

other from the Midwest—never came close to fulfilling their potential. Seeking publicity and constant campaigning for the next election were always more important to them than legislative work.

They chased television cameras and ingratiated themselves with reporters and commentators. They were masters of taxpayer-financed newsletters and the art of perpetual fund raising. Their re-election efforts were successes, all right, and they were returned to office again and again.

Most of the voters in their districts probably thought that the blizzard of press releases signified that their congressman was one of the most powerful leaders in the country.

The reality, however, was that electoral success was their only success. For one, after eight years in office, not a single amendment or other piece of legislation offered by him in committee or on the floor of Congress was ever adopted, even though he was a member of the majority party. The other was a confrontational, bombastic speaker whose instinct for controversy gave him high media notice and therefore high name recognition. But, again, in the halls of Congress, even the members with well-fed egos (which is most, of course) looked down on him as a showboater, and he was as ineffectual as the first fellow in actually getting things done.

These were people who were in office not for what they could do, but for what they could appear to do. Watch out for politicians with big propellers and small rudders.

Of course, there are a few members of legislative bodies whose early years are marked by ineffectiveness who change for the better over time.

I served with two members of Congress who were completely undistinguished in their first years on the Hill, but eventually matured. One, from the East, was noted for what a colleague termed "self-righteous grandstanding." Colleagues don't mind if you do that back home, but they hate it when you try it on them! Worse, this fellow often hinted to fellow members that they all lacked his intelligence and concern. Instead of admiring him more, of course, his colleagues for years went out of their way to ignore him. Fortunately, he was smart enough to see in time what he was doing wrong.

The other late-bloomer, from the upper Midwest, performed as a narrow-minded ideologue, someone who didn't want to be bothered with the lessons of experience, because he already knew what was wrong with the country and had simplistic slogans to meet every situation. After about a decade of such posturing, he began to realize that though he was still in office, he hadn't accomplished anything. Listening to others, accepting a little less than perfection (by his lights) and accepting responsibility for the legislative process, he, like the other case above, grew into a respected leader in his party.

In truth, such late-bloomers are unusual. Most people—including politicians—find it hard to change. The personal behavior and political techniques that a candidate brings to office normally are the ones he or she will practice once there. In an age of term-limit considerations, when many fear the loss of legislative bodies seasoned by experience and institutional memory, discovering these artibutes in candidates is more important than ever, though no easier.

My observation is that effective legislators posses characteristics that, regardless of their years in office, are primarily responsible for their success. Of course, office-holders need to be ambitious, intelligent and committed to hard work. But they also have to have cultivated good political habits.

Here are ten of them:

(1) They keep their egos under control.

Put it this way: They don't let the praise of their own campaign brochures go to their head. They don't abuse staff members and those who assist them, nor treat career public servants or their fellow legislators with condescension. In fact, the code of the gentleman (or "gentlelady" in Congress) is what it always has been: Treat everyone in a friendly, collegial way.

(2) They are able to manage and lead their staff or those who are chosen to assist them, and they seek advice from competent and trustworthy sources.

The ultimate effectiveness of legislators can be partially judged by whom they employ, by their willingness to seek information from many sources (whether or not on his own side) and by whom they rely on for regular counsel. Legislators who limit themselves to a narrow circle of advisers from any part of the spectrum usually limit the breadth of their knowledge and vision.

(3) They do their legislative homework and develop expertise on at least one issue.

A legislator earns respect from his fellow lawmakers by providing them with a superior understanding of certain types of legislation, even if the subjects are not of greatest importance to other members. Because legislators deal with so many issues, each has the opportunity to become an expert. It's an opportunity the showboaters pass up, but which pays off at crucial times and becomes the source of mutual trust and reliance in legislative bodies.

(4) They are not obsessed with obtaining credit from the media and the public for presumed legislative accomplishments. Obviously, elected officials need to receive some credit in order to be seen as effective back home. But for that very reason, the legislator who shares credit builds trust and respect among his colleagues. This kind of credit in politics is like financial credit in a bank; it's there when you really need it.

Most legislators especially develop a distaste for fellow members who continually seek praise when it is not deserved. It may not count against them in the media, but it does count against them in legislative negotiations.

(5) They realize that changes often come in a series of small steps.

I'm talking about the art of compromise, of course. Political and social principles are extremely important, but of little benefit if they can't persuade people on their own. Obtaining desired legislation by increments is usually more realistic under the American system than it is, perhaps, in systems without so many checks and balances and where laws can be fundamentally changed all at once. Legislators who insist on having everything their own way may look noble on television, but they carry little weight with their colleagues and generally get little of consequence done.

(6) They know how to work in a bipartisan fashion on most issues and respect the sincerity of those who oppose their point of view.

The effective legislator, like an effective person in any field, is able to discuss issues without personal rancor, and to realize that he or she may not possess the final truth in all matters of public policy.

Respect is the basis of civility. It lubricates the legislative process and removes unnecessary friction.

There's wisdom as well as kindness in this attitude of humility. An honest legislator will admit that much legislation, once it is implemented, may turn out to lack the perfection its authors claimed for it and will have to be modified or even repealed. Don't denounce your critic too harshly. History may prove him right!

(7) On issues where dramatic differences of opinion exist, they are intellectually capable of understanding their opponents' positions and arguments.

This is hard to do, or at least to do well. The common tendency is to parody the arguments of an opponent or put words in his mouth. But even if the public cannot always see it, other legislators know when a colleague is representing an opponents' case fairly. When it happens, even though minds may not change, attitudes are changed. An honest debater wins points of respect. It adds to the credit in his bank!

(8) They refuse to take themselves too seriously.

Politics is a serious business, but keeping a sense of humor is essential to keeping a realistic sense of proportion, and that actually helps the serious business proceed. For many elected officials, periodic re-election and growing seniority make them imagine that they not only are gaining in experience but in virtue. Arrogance and acute self-centeredness hurt effectiveness. An ability to laugh at yourself has the "serious" result that it disarms your opponents!

(9) They understand that you become more effective by listening, questioning and learning, rather than just talking.

Almost all politicians, in or out of office, like to talk, naturally.

However, that does not mean that they have a lot of patience for other politicians who abuse the privilege. They do notice the person who studies carefully, gives evidence of sincere intellectual curiosity and works hard.

(10) They demonstrate their integrity by admitting their imperfections.

Nobody's perfect and little is more annoying than some politician who pretends otherwise—especially with his colleagues, who definitely know better. In fact, if you were perfect, you'd be smart to hide it.

Admitting you were wrong on an issue, not knowing the answer to every question and even changing one's mind in the face of facts are signs of personal security and strength, not of weakness. Such occasional admissions (which obviously should not be calculated) demonstrate to colleagues genuine character and encourage trust. Any observer can tell you that most legislators do not have all of these characteristics, and I would be the first to confess that in my 24 years as a legislator, not all of them were part of my own makeup.

Effective legislators don't need to have them all, but they do need to have a majority etched in their personality, and usually long before their election.

Other factors will help develop character, including experience, analytical powers that improve personal judgment, and the courage to stand up and be counted when the political risks are high.

Oddly, however, many of our most effective legislators have great difficulty being elected to higher office. Why is this so? Regrettably, just as a good "show horse" does not necessarily result in a good "work horse," the opposite is also true. The very humility that makes for trust within a legislative body, enabling quiet influence for good, is the vulnerability a rival can exploit at campaign time. The courage of one's conviction

that the history books are likely to praise is perceived as mere stubbornness in the eyes of an offended interest group.

That is why it is increasingly important for voters, and the media that inform them, to consider the quiet, behind-the-scenes merits of effective legislators and other elected officials. The character issue is really about the age-old search for someone who would be "good" in office. The implication is that character and effectiveness usually go hand in hand. So don't just take the word of a campaign ad, television sound bite, or even a news column, as to who is likely to do the best job in office.

Check with a legislator's colleagues and the people who work with him or her. If we want effective people in office, we need to learn how to do a better job of figuring out which ones they are.

Finally, Mr. Speaker, I would like to make a couple of personal observations about Joel Pritchard.

When I ran for Congress, I had never run for any office before. I was not really all that involved in politics and I did not know Joel very well at the time, but I can remember when a reporter first asked me who I would like to be like in Congress and who was my hero, what sort of model would I like to follow, Joel Pritchard was the first person I thought of. He had that reputation throughout our State, even among people who did not know him.

After I was elected, Joel took a personal interest in me and we saw a lot of him in our office in Washington, DC. He would come back and talk to me and talk to the staff. Every once in a while he would give me gentle advice on the right way to deal with things, and frankly he gave me an example of a really excellent way to conduct myself in the job that I have. I have the seat that he had for 12 years.

I would like to say, Madam Speaker, in closing, that he set out a very admirable path for those of us who are in this business. It is a path that frankly will be harder for me to follow, and I think harder for all of us in this House to follow, now that Joel is no longer with us. We will miss him very much, perhaps more than we know. I just hope we can all be worthy of his example.

HONORING THE LIFE OF JOHN N. STURDIVANT

The SPEAKER pro tempore (Mrs. EMERSON). Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 5 minutes.

Mr. HOYER. Madam Speaker, I came to speak about the loss of a leader in the Washington Metropolitan Area and in our community, but as well in our Nation. I came to the floor and I heard the gentleman from Washington [Mr. WHITE] speak about Joel Pritchard. I had not heard that he died.

Madam Speaker, I had the opportunity to serve with Joel Pritchard. He was a Representative, as has been said, of great integrity and great substance, a very decent human being who believed that partisanship came long after principle. He was a delight to serve with, and I am sorry to hear that he has passed away.

But as I will say about John Sturdivant, Joel Pritchard was someone who made this House a better place because of his service.

Madam Speaker, I rise to speak about a very good friend of mine, John Sturdivant, president of the American Federation of Government Employees. John Sturdivant died just a few days ago of cancer. I had the opportunity to talk to him about 3 our 4 days prior to his death. Even at that time, he was talking about his beloved members of the American Federation of Government Employees, was talking about how he could fight for and work for ensuring that they had an opportunity to earn sufficient funds to create for themselves a decent life and to provide well for their families, their husbands, their wives, their children.

Madam Speaker, his death leaves not only the American Federation of Government Employees, not only government employees generally, but our Nation bereft of an individual who fought tirelessly on behalf of our Nation's civil servants and on behalf of efficiency and effectiveness in our government.

As president of AFGE, John Sturdivant represented over 700,000 workers throughout the United States during one of the most difficult periods facing civil servants in this country's history. He was deeply committed, Madam Speaker, to the belief that today's civil servants constitute the answer, not the problem, to making our Government operate more smoothly and efficiently. The thousands of workers he spoke for could not have had a more committed, more knowledgeable, more passionate advocate of their interests.

Madam Speaker, I knew John Sturdivant well. He was my friend. He worked very hard to shift public opinion of civil servants from the incorrect perception of inactivity and nonperformance to the truth of a dynamic and hard-working national resource.

Madam Speaker, I will be speaking at John Sturdivant's funeral next week, and I will remember him as a good human being, as an American who cared about his country, as a person who utilized his talent to the fullest, not simply for himself or for profit or for gain, personal gain, but for the welfare of the country he loved and the welfare of his members.

He was at times a person of great passion and even anger, but that anger and passion was directed at correcting and righting wrongs that he perceived.

I know that he dealt with the President, with the Vice President, and with so many of us in the Congress of the United States as an advocate of policies that would reward our personnel based upon their effort and their talent and their accomplishments.

He will be difficult for AFGE to replace. He will, like all of us, be replaced. None of us are indispensable. But all of us hopefully can be remembered as making a special contribution, a contribution of significant worth, a contribution emanating from a sense of our country's needs and the needs of our fellow men and women.

Madam Speaker, I thank you for this time to remember a good and decent American, John Sturdivant, President of the American Federation of Government Employees.

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THE BRAINLESS TAXMAN

The SPEAKER pro tempore (Mrs. EMERSON). Under a previous order of the House, the gentlewoman from Idaho [Mrs. CHENOWETH] is recognized for 5 minutes.

Mrs. CHENOWETH. Madam Speaker, it is not often that I bring a whole lot of levity to this House, but sometimes we have to make sure we maintain our sense of humor in order to make sure we maintain our focus.

Madam Speaker, this is Halloween and there will be many scary stories that are told today. One of the scariest stories that I heard that I remember when I was a child was the tale of the headless horseman. But in keeping with that theme today, let me tell you a true story. I call it the tale of the brainless taxman. As I said, this is really a true story and it involves one of my constituents.

My constituent, a respected Idaho jurist named Robert Huntley, carefully paid his taxes every year and when I said he is a respected Idaho jurist, he is a former justice of the Idaho Supreme Court. He is a careful man. He is a law-abiding man. He thought that he was safe, by paying his estimated taxes as required, from the clutches of the brainless taxman. But last year he made a mistake. The good judge underpaid his taxes by 39 cents. Out of nearly $75,000, the good judge underpaid his taxes by 39 cents.

Now, that is an error of about one two-hundred thousandths of the tax burden. It is also less than one-half dollar. It seems to me that it could have been rounded down to a zero, but that would have been reasonable. And the IRS is not reasonable and we all know that from the horror stories that we have heard across this Nation.

So what did the brainless taxman do in this case? Well, he pointed a bony finger in the direction of the judge and told him that he owes 39 cents in back taxes plus $123.71 in penalties plus 1 cent in interest on this egregiously delinquent bill.

Now, Madam Speaker, the brainless taxman assessed penalty and interest of $123.71 for an error of 39 cents on former Justice Robert Huntley.

In case you are wondering, in order to calculate 39 cents as a percentage of his tax bill, you have to go back six decimal places. No wonder Americans are scared to death of the brainless taxman. Madam Speaker, let us drive a stake through the heart of this monster once and for all. Let us not just wound him, let us drive a stake through the heart of this monster.

Madam Speaker, I include for the RECORD copies of Justice Huntley's letter that was sent to me and his tax bill. I have properly redacted the good judge's Social Security number.

GIVENS PURSLEY & HUNTLEY LLP,
BOISE, ID, JULY 21, 1997.

Hon. HELEN CHENOWETH,
Longworth House Office Bldg.,
Washington, DC.

DEAR CONGRESSMAN CHENOWETH: I write you to give you a document which will instill pride in the bureaucracy of our government, namely the IRS. Enclosed is a notice I have received advising that I underpaid my quarterly payments by $.39 cents and thus I am being assessed a penalty of $123.70 and interest of $.01 (one cent).

It is great that the IRS expends its energy ferreting out us substantial tax avoiders.

Sincerely,

ROBERT C. HUNTLEY, Jr.

DEPARTMENT OF THE TREASURY,
INTERNAL REVENUE SERVICE,
Ogden, UT, July 14, 1997.

Robert C & Elfriede M. Huntley.

REQUEST FOR TAX PAYMENT

According to our records, you owe $124.10 on your income tax. Please pay the full amount by Aug. 4, 1997. If you've already paid your tax in full or arranged for an installment agreement, please disregard this notice.

If you haven't paid, mail your check or money order and tear-off stub from the last page of this notice. Make your check payable to internal revenue service and write your social security number on it. If you can't pay in full, please call us to discuss payment.

TAX STATEMENT

PAYMENTS AND CREDITS	
Tax withheld	$.00
Estimated tax payments	−45,041.61
Other credits	.00
Other payments	−29,804.00
Total payments & credits	−74,845.61
TAX	
Total tax on return	74,846.00
Less: Total payments & credits	−74,845.61
Underpaid tax	.39
Penalty	123.70
Interest	.01
Amount you owe	124.10
Subtract payments we have not included above	
Pay this amount (use tear-off on last page)	

NATIVE AMERICAN HOUSING BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

Mr. METCALF. Madam Speaker, recently I have introduced H.R. 2663, the Native American Housing and Self-Determination Act amendments, to strengthen the Native American housing bill passed in the 104th Congress. Since the passing of this legislation, we have become aware of abuses and mismanagement in the Department of Housing and Urban Development and their Native American Housing Program. Throughout the events leading up to the disclosure of abuses, it is evident that HUD has been slow in acting, slow in responding, and slow in taking corrective measures.

Consequently, Federal funds which should have been spent on low-income tribal members were spent for extravagant housing or projects not approved by the grant. Where was HUD when these abuses were occurring? Why was not HUD watching for abuses?

These were some of the questions at a joint hearing held by the Senate Committee on Banking, Housing, and Urban Affairs earlier this year. In reality HUD could have done considerably more to prevent the abuses from occurring in the first place. HUD could have imposed greater sanctions and HUD could have stopped construction of some of the projects.

My legislation will strengthen the new law by requiring greater public accountability, increasing auditing capabilities, and ensuring that Federal funds are used appropriately. Currently, the law allows the Secretary of HUD to waive the submission of a housing plan by the small tribes. The housing plan contains the tribes' goals and objectives in providing housing for low-income tribal members.

To ensure that the tribes are accountable to HUD and to the public, my bill will require all tribes to submit a housing plan to HUD.

More importantly, these housing plans and other tribal policies will be available to the public. I believe that this public disclosure will help keep HUD accountable to the taxpayers. My legislation will also require audits under the Single Audit Act. This would consolidate the auditing process into a single process and thereby expedite the auditing process and reduce bureaucratic red tape. Again, these reports on the audits will be available to the public.

The Secretary of HUD can also request additional audits and reviews to determine if a tribe is in compliance with the provisions in their housing plans and ensure performance in a timely manner. These reports will also be available to the public.

Last, we need to ensure that Federal funds are spent appropriately. We can only do this if we know why tribes are spending Federal funds for different income groups. We are aware of cases where Federal funds were not spent for the targeted group. My bill will require that tribes explain their targeting of housing funds. In turn, they will have a clearer understanding of what is expected of them.

I know that my bill will not stop all the abuses in mismanagement. It is a start in making HUD more responsible to this Congress. We can no longer tolerate the abuses and wasteful spending which have occurred in the past. Today we begin to give HUD greater authority to oversee this program, but also to keep them accountable to the taxpayers.

I have worked with tribes in my district and outside to address their concerns and together we have found common ground in many areas. I also wanted to thank the gentleman from New York [Mr. LAZIO], chairman of the Subcommittee on Housing and Community Opportunity and his staff for working with me and my staff producing this bill.

I urge my colleagues to support this legislation. We cannot strengthen this program without requiring public disclosure, increasing auditing capabilities, and creating safeguards to ensure that Federal funds are used appropriately.

CHINA AND HUMAN RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Washington, Mrs. LINDA SMITH, is recognized for 5 minutes.

Mrs. LINDA SMITH of Washington. Madam Speaker, yesterday I introduced a resolution expressing a sense of Congress that the Chinese Government's practice of executing prisoners and selling their organs for transplant be stopped and that we say this is immoral. Earlier this month, on "Prime Time Live," a television show airing on ABC, Americans got a see for themselves what has become an all too common practice of prisoners routinely executed and their organs sold to people willing to pay $30,000 for a kidney in wealthier countries.

What is even more troubling is that Chinese nationals living in the United States on student visas are marketing these organs to Americans and other foreigners who have the money to make the $5,000 deposit and they travel to China to a Red Liberation Army hospital where they receive the kidney using modern American medical facilities, but only they have been tissue-typed and the prisoner, of which they say there are plenty, is tissue-typed so there is a perfect match.

The resolution that we entered yesterday condemns this practice, but it also calls on the administration to bar from entry any Chinese official who is directly involved in the practice of organ harvesting to the United States. Furthermore, we have called for individuals who are in the United States

now engaged in marketing and facilitating these transplants to be prosecuted.

I want to tell you some facts about this that we now know and that we have asked this administration to investigate and the Attorney General and FBI to come before Congress and present subpoenas and facts on.

Here are some of the facts. Amnesty International, August 1997, there is a report that shows that China has executed at least, probably more, but at least 3,500 people. Because China does not have law that protects individual rights, a person can be arrested today for standing up against the Communist regime and in 48 hours after finding that they have a DNA match that matches someone that wants to purchase their kidneys, can be executed.

A little more about the ABC report. The ABC report was a result of a 3-month investigation. A year ago, the tapes of the mass executions were presented to the current administration and nothing was done. So this network went about looking at the evidence over a 3-month period and actually went to videotape the actual sales. The videotape of prisoners on their way to execution was made in 1992 and never intended to be seen outside of official circles.

What you see on the videotape is that the guns are lined up at the base of the neck of the prisoners so that they can preserve the organs. Human rights organizations estimate that since 1990, more than 10,000 kidneys alone from Chinese prisoners have been sold, potentially bringing in tens of millions of dollars to the Chinese military.

For years, the U.S. Government has officially maintained that these practices do not happen, but all of our eyes were opened this last week. The tape shows that the prisoners were immediately lined up, that an officer would take and realign the guns before the executions. It also shows pictures of the hospitals and you go into the hospitals that are videoed and these hospitals are clearly shown to be PLA hospitals. They interviewed a Thai woman who was told that she was actually getting a prisoner's kidney and that she would have an absolute matched blood and tissue type because there were so many prisoners available. The tape also shows American corporation W.R. Grace Co. appears to be involved in the kidney dialysis in China and is a part of this operation.

In conclusion, more must be done on all fronts when it comes to Chinese human rights record. I am pleased that the Secretary of State Albright has announced that we will have a three-person group of Americans from different denominations go and look into this and other violations.

Madam Speaker, as the President of China is here, it is not the time to be silent. It is the time for all of Americans to stand up and speak out. I think America needs to watch next week as Congress stands and does stand up and opposes what is happening in China.

Dr. Dai, the Chinese doctor on the American student visa quoted the price of a kidney at $30,000, with $5,000 required in advance.

U.S. law makes it: "unlawful for any person to knowingly acquire, receive, or otherwise transfer any human organ for valuable consideration for use in human transplantation if the transfer affects interstate commerce."

More must be done on all fronts when it comes to China's human rights record and I am pleased by Secretary of State Albright's announcement that an ecumenical group of Americans will be permitted to travel to China to examine the human rights situation. This is a good first step but we must ensure that they are not given a whitewash.

Two days ago, I introduced a resolution expressing a sense of the Congress that the Chinese Government's practice of executing prisoners and selling their organs for transplant patients is immoral and should stop.

Two weeks ago, on "Prime Time Live," a television show airing on ABC, Americans saw for themselves what has become an all too common practice of prisoners routinely executed and their organs sold to people willing to pay $30,000 for a kidney.

What is even more troubling is that Chinese nationals living in the United States on student visas are marketing these organs to Americans and other foreigners who are able to make a $5,000 deposit and then travel to China and be admitted to a Chinese Army hospital where they will receive their kidney after they have been tissue and blood typed.

According to Amnesty International's August 1997 report, China has executed at least 3,500 prisoners this past year and many reports say this number is closer to 4,000. Human rights organizations estimate that since 1990, more than 10,000 kidneys from Chinese prisoners have been sold, potentially bringing in tens of millions of dollars to the Chinese military.

My resolution, House Concurrent Resolution 180, condemns this practice and calls upon the Clinton administration to bar from entry any Chinese official who is directly involved in the practice of organ harvesting. Furthermore, individuals in the United States who are engaged in marketing and facilitating these transplants should be prosecuted under U.S. law.

Mr. Speaker, as President Jiang Zemin concludes his visit to the United States, let's use this opportunity to speak out on China's dismal human rights record. Nothing will change if Congress and the American people are silent. The House is commonly known as the people's House and the American people want their voices heard. They are a people of compassion and good will and will not stand for organ harvesting or any other abuse of human rights.

ON EDUCATION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Madam Speaker, as a matter of practice, I never like to criticize any efforts related to the improvement of education, whether they take place here or at the local government area or in the State governments. All efforts to improve education are generally to be applauded. As I said before, we need a comprehensive approach to the improvement of our schools and almost no attention focused on schools is wasted.

First of all, it is important that the American people, the vast majority of the American people, the voters have placed education at a high priority position. They repeatedly insist that education is a high priority and that Federal aid to education is also a high priority. That is consistent and highly desirable. As a result of the general public and the voters insisting that education is a high priority, we have a lot of attention being focused on education by elected officials at every level, both in the Congress, the city councils, and the State legislatures.

A lot of attention is being paid to education, a lot of campaigns that are running now across the country for this coming election day on November 4, they are not congressional campaigns because we are not running for office this year, but municipal campaigns, campaigns for Governor.

□ 1330

Schools are in the forefront in terms of issues that voters care about and want to hear discussed. Certainly, in New York City, Democratic candidate Ruth Messinger has certainly placed great stress on school improvement. The Republican candidate incumbent mayor has answered in trying to show a thousand ways in which he helped to improve schools and education. And on it goes.

In another major contest in New Jersey, the very close contest between Gov. Christie Whitman and Assemblyman McGreevey, education figures as a very important item.

On the floor of this House, there is hardly a week that goes by where education is not dealt with in some form in some piece of legislation. Today was one of those days when we had a discussion on education, which I must say we do not need. It was a very negative discussion. Very negative action was taken today. We focused on vouchers, and we are insisting that vouchers must be a part of the Federal effort to improve education.

School vouchers, you know, there is a group here in the Congress that insists on pressing ahead with vouchers no matter what the American public thinks of vouchers. It is like a dogma at this point. It is a religion. Dogmatically, they insisted vouchers must be placed in the forefront of any effort to improve education.

Despite the fact there is so much disagreement about vouchers, there are areas of agreement. We agree that charter schools, public charter schools, is a concept that might make a real contribution to education improvement. We agree on that. We agree that more technology in schools might make a real contribution to the improvement of education. We agree that teacher training and more funds to make certain that teachers get more training would make a great contribution to the improvement of education. We agree on quite a number of things.

Unfortunately, we do not agree on one major item that ought to be in the forefront, and that is school construction. The one item that is necessary before those other items can be really put in place is an effort to help localities and States with the construction of decent schools. It is not a problem confined to the inner-city communities like mine, the 11th Congressional District of Brooklyn. It is a problem which is pervasive all over America.

There is not a single State that does not have schools that need replacement or repair or renovation, not a single State and quite a number of school districts out there. The General Accounting Office says we need $120 billion to deal with the infrastructure of public education. Although, America, if you really dealt with improving the infrastructure to bring schools to the point where they are adequate, they offer adequate facilities that are conducive to learning, it will cost about $120 billion. All the President proposed in his State of the Union message was $5 billion. We were happy to hear that because it is a beginning. Five billion dollars was proposed to help with school construction, $5 billion to be spent over 5 years, maybe not necessarily $1 billion a year, but over a 5-year period. That seems like much too little as far as I am concerned. But we will be satisfied that we have begun.

However, during the course of the budget discussions between the Republicans and the Democrats, that $5 billion construction initially was taken off the table. When they did that, they hurt the credibility of all the other efforts to improve education. Teacher training, technology, charter schools, they become a bit of a joke when we are talking to people where the schools are crumbling all around them. It is a bit of a joke to say that Washington should have 3,000 vouchers, vouchers for 3,000 youngsters, when a school system of 70-some-thousand youngsters is crumbling around us. It is a bit of a joke to talk about that solving the problem or any other effort we make now at this point in the Washington schools to talk to the teachers about the use of more technology, computers, videos, whatever; to talk to them about the use of these modern aids to education is a bit ridiculous when the schools in Washington do not have heat.

A large percentage of schools now are suffering because they have a boiler problem, a heating problem, furnaces are going bad. They open late. Three weeks late the schools in Washington open because a large number of them had problems with leaking roofs. And because so many had problems with leaking roofs, the court ruled that schools in general could not open until they were all repaired. They finally, after 3 weeks' delay, got the schools open.

Now we have a large percentage of schools that have problems with their heating systems and they are closing down the schools that opened up 3 weeks late. Every day there is a new headline in the Washington paper. I think we ought to stop for a moment and consider the fact that this is the Nation's capital. It may be overwhelmingly African American. For some reason, that leads certain people to believe that we really do not have to take it seriously, what happens here is not a mirror of America. But it is in many ways the America we do not want to admit. We do not have the high visibility in the rural schools in America that may be having leaking roofs or may be having problems with their furnaces. We do not know about them because they are off the radar screen.

In big cities like New York, they are so big. Washington has less than, I think, about 750,000 people. That may be an optimum size for a city. After that, it may be that the cities are too big that go beyond that because the communications problems that result are horrendous.

I am a resident of the city of New York. I serve a congressional district with 582,000 people. It is one of 14 congressional districts in the city. We cannot get on the radar screen of our local television stations. We cannot get on the radar screen of our local radio stations with news that is important to my congressional district, made up of many communities, planning districts, all kinds of units in a city of 8 million people. You cannot find out in New York City which schools have problems with their furnaces today.

I would wager that there are more furnace problems today in New York City than there are in Washington, D.C. But it is not news. It does not surface. We have more than 300 schools in New York City out of 1,100 schools. I always have to clarify things when I talk about New York City's school systems and make my colleagues understand the numbers. Unlike anything else in the country, there are 1,100 schools, 60,000 teachers, 1.1 million students.

So, of the 1,100 schools, more than 300, and I was quoted a few weeks ago, I said more than 250. I have learned recently from people who are very close to the system, custodians' union, that it is more like 325 schools that have furnaces that burn coal. We still have furnaces in more than 300 schools that are burning coal. Coal makes a lot of heat. Maybe it makes more heat than oil or gas. But it also makes a tremendous amount of pollution.

New York City is also the city that has the largest number of children with asthma. We will not go into what other respiratory diseases they may have. Again, it is so big that we have thousands of cases that do not even tabulate certain kinds of diseases. Asthma is way up there. The number of children with asthma is astronomical. So children with asthma is one indication of children suffering from a pollution problem.

So just to get rid of the coal-burning schools would greatly improve the physical health of the children and probably a lot of adults, also. But that is not on the radar screen. They are not even talking about it. I assure my colleagues that schools are breaking down every day with furnace problems in New York City.

But, unlike Washington, the courts and very active parent organizations are in constant monitoring. Constant state of monitoring has been provided by the courts and the parent organizations of what is going on in the schools. They have some other problems related to health that are surfacing that may lead to some other shutdowns of schools.

I say this because here we were on the floor of the House today discussing vouchers, a rule to set the stage and parameters for discussion of vouchers next week. The Republican majority insists that we cannot discuss something sensible and something which has achieved a great deal of consensus among the Members of Congress, a great consensus among the American people as a whole, the public voters. Charter schools are looked upon as a respectable effort to improve schools. Public charter schools would provide some of what we think is needed to improve public schools.

Most of the children in America are going to go to public schools a long time to come. Over the next 20 years, I would predict at least 90 percent of the children in America are going to still be going to public schools, regular public schools, traditional public schools, public schools controlled by some central management and governance mechanism.

There is no reason we cannot have some charter schools which offer an alternative and may, by example, lead to improvement of public schools by operating in a free environment with the ability to innovate and ability to do certain kinds of other things, including the ability to attract a group of people who are dedicated to education and will stay with it over a period of time.

There are a number of things that charter schools can show us if we had

more of them. That would certainly not be a big problem. In America right now, I think about 86,000 public schools exist, not counting private schools, but 86,000 elementary and secondary schools, more than 86,000, a little more. And of that number, about 800 are charter schools. At this point, charter schools are about 800 out of 86,000.

So we are not going to be overwhelmed by charter schools, but charter schools could provide an opportunity to provide us with little laboratories of what can happen in a school to deal with the problems faced by the traditional public schools.

We will not be allowed next week to discuss charter schools separately by themselves. They must be intertwined, interwoven with the discussion of vouchers. That is the way the majority has insisted we must do it. So charter schools are going to be tarnished, tainted. The whole discussion will be adulterated and emasculated by the shadow of vouchers, which nobody really in the Congress has shown great sincerity about because they come from districts that do not have vouchers.

I would challenge every person, every Member of the Congress who really believes in the voucher system or somebody else pushing the voucher system to go back to their own school districts, the school district where their children go to school, and give us a report, conduct a survey and give us a report on whether they want vouchers, who wants vouchers in their district. In their district, have they talked to the local school board and are they in favor of vouchers in their district? Have they talked to parents? Are they in favor of a voucher system?

I have heard lately that most of our Republican colleagues come from middle-income districts where they have faith in their schools and they are not interested in vouchers. They have faith in their schools and the schools have done a pretty good job. Well, according to various reports that are made, even our best schools in America can stand a lot of improvement. Some of our best schools that are very well funded, have the best of everything, still have mediocre performances or performances that fall short of what we would like for them to be.

Certainly, we compare our best students in math and science to the students in math and science in other parts of the world. Math and science is a good place to make the comparison. Because across the world, math and science is pretty much the same. It is not like sociology, not like literature. Literature and sociology are too complex. They take a higher order of reasoning, in my opinion, than math and science.

□ 1345

Math and science is the same everywhere. It is the same set of principles you proceed from; the logic is always the same kind of logic. The whole notion that it takes geniuses to deal with math and science ought to be reexamined. To deal with the swirling, complex nature of societies, anthropology, sociology, a number of other things out there are much more complex because they are never the same; the variables are always moving and changing.

To deal with literature, the message that literature brings about to a particular culture, all those things require a much more complex set of reasoning and higher ordered thinking, but I will not get into that debate at this point.

Math and science comparisons are made, and some of our best students from our best schools are falling short. I say to every Member of Congress, no matter how good the schools are, they would, I think, agree they could be improved.

Would having vouchers improve them? It probably would, according to your reasoning. If you say the best schools are the private schools, then the best schools in your neighborhood, I guess, are private schools, too. The best schools in your State, the best schools in your school district, are they private schools too and if that is the case, are you pushing vouchers in your district? And what is the reaction of your school board? What is the reaction of your constituents? Come tell us. Do not tell us that this is a solution for inner city schools, this is a solution for disadvantaged African American communities. We are going to push this solution down your throat, because we believe that this is the way it should go and we are going to make you take it.

The Washington, DC, appropriation bill that is still in the hopper, they are still negotiating and in conference on the Washington, DC appropriation bill. What is one of the biggest hang-ups in the Washington, DC appropriation bill? The biggest hang-up is the fact that the Members of the House of Representatives who believe in vouchers have insisted that vouchers must be instituted in the Washington, DC schools. Vouchers must be put in whether you like it or not. The people of Washington, DC had a referendum, they voted, they do not want vouchers. They voted not to have vouchers. This same Washington, DC decided to set up a charter school board. I think probably there is no other city in the country that has a board for charter schools. They do want charter schools. They are going ahead. There are very complex guidelines, and they are now in the process of examining applications for charter schools. So why not support them wholeheartedly with charter schools, members of the Republican majority, why not leave them alone and stop trying to impose your dogma, impose your religion on the people of Washington, DC, your educational religion? Your dogma does not work if people do not want it. It is not going well even in your own districts. So why are you going to impose it on Washington, DC? Why are you going to offer it to frustrated parents in the inner-city communities as a solution when you know that only a tiny percentage of the youngsters at best could be placed in voucher programs? And when you do that, you are mixing up church and State because most of those schools that they find places in are church-related schools, and that whole debate and the conflict.

In New York City it might seem easy as long as you are placing children in schools that are Christian schools. But there are also Muslim schools there. What about them? There are also Jewish schools. What about them? What kind of tensions are you going to create when you wade into that problem of replacement of students with public funds into religious schools? Are you not going to create a problem which is greater than the problem you solve? Those are some of the questions. What I want to dwell on here is the fact that this Congress, the 105th Congress, with a golden opportunity to really do something meaningful about education, is frittering it away, has frittered away an entire year around the edges with concepts like vouchers and education savings accounts and things that really, if they have any meaning at all that might be worthy of consideration, they ought to be referred to the Committee on Education and the Workforce for further study and deliberation.

The voucher bill that was presented here for a rule today has not been discussed in the Committee on Education and the Workforce. We have not even gone through the regular democratic process. It was just brought to the floor because the people, the fanatics who believe in it, said this is our religion, this is our dogma, we are going to introduce it whether you like it or not and we do not need to take it through the democratic process while we are frittering away at the opportunity really to do something quite significant in the area of education. With so many Americans on board, the electorate saying we want more attention paid to education, why do we not do something really meaningful, why do we not start with construction? Why do we not start with a program that the Federal Government can offer that nobody else can offer? We are not interfering with the State and local governments if we offer assistance with construction. They all need it. There is not a single State that cannot use some funds for some school in the State with respect to construction, renovation or repairs. So why do we not focus on that? Why are we focused on testing?

The White House unfortunately has gotten locked into its own dogma.

Testing is the answer, testing above all. I am not among those people who say we should never have a national testing system. That is not my reason for opposing testing. My reason is that testing is not a priority. Testing ought to come in sequence. Testing should be further down the line. What are you going to say, Mr. President, to the parents of the children whose schools have been shut down for 3 weeks in Washington and they started 3 weeks late when they go to take the test? What are you going to say to the parents of these same children who not only had to start school 3 weeks late but they also have a problem now with the boilers and they face shutdowns and busing around, all kinds of interference with their schooling since school opened finally and the weather began to turn cold. What are you going to say when it comes time for them to take the test? Are you going to give them an excuse?

As I said, in Washington, DC we have a high profile area, a high visibility area. We know that large numbers of schools in Washington have a problem with the roofs leaking. We have been looking at that for some time over the past few months and we hope they have gotten the roofs fixed now. We know now that they have a problem also with the boilers not working, the furnaces are not working.

We know that in Washington, DC. What we do not have is a tabulation of how many schools across the Nation are also in trouble and they are having their youngsters bundle themselves up in the classroom, which is not conducive to learning, I assure you, but an invitation to lowering their immune systems and bringing on other kinds of problems as a result. How many schools are having children bundle up with classrooms that have inadequate heating? How many schools out there across the country have actually had to shut down for several days, starting with New York City? As I said before, you would not know it out of our 1,100 schools if there were some that shut down yesterday because the heating systems were not working. The news is not generated. I do not get that news. I do not get any information. The papers do not think that is worthy of reporting. It is a humdrum part of the routine. But I am sure if I go check today and yesterday, there were schools that had heating problems in New York City. How many of those coal burning furnaces, furnaces that still burn coal, how many of them are working today, spewing their pollutants into the air, causing more children to have asthma?

This is not news, not being discussed, but Mr. President and the people who advocate national testing, are you going to take into consideration the fact that this is going on? Are you going to have a system for excusing the children who have experienced all these problems in our school? Not at home. They may have problems at home with heating. They may have problems at home with broken families, low incomes that cannot afford to provide nutritious food, all kinds of problems may exist in a poor neighborhood that we have been talking about for ages which impede the school's ability to educate the children. But let us put that aside and say that the school ought to be an oasis, at least when they come to school they ought to be warm. When they come to school, they ought to drink water that is not possibly tainted with lead. We have not gotten into that.

There is a lead poisoning problem in many big cities because the older the school is, the more likely it is to have lead pipes and the water that children drink every day is flowing through lead pipes. We do not even raise the subject officially in New York because we know if you go looking, you are going to find too much lead in a lot of the pipes. It ought to be examined, it ought to be put on the radar screen, we ought to not jeopardize the health of children, because the younger you are, the more devastated your brain may be by lead poisoning.

This is happening, Mr. President, advocates of testing. How are you going to compensate for it? How are you going to adjust for it? Why do you not take into consideration the fact that this is happening and say to yourselves, let us make construction a priority. Let us put the full force and weight and credibility of the Federal Government behind a program to guarantee every child across the country a decent physical facility, a physical facility which is not injurious to their health, a physical facility which is secure, a physical facility which is conducive to learning. The lighting system, the ventilation, whatever is necessary, let us at least provide that. Let us provide them with laboratories in those schools which are able to conduct science experiments. Let us have every school have adequate laboratories. Let us provide them with library shelf space and books in those schools which will give them a chance to really study seriously in up-to-date books.

There are still many books in the libraries of New York City high schools that are 30 and 40 years old and they are history books and geography books totally inadequate, dangerously inaccurate, but they are still there. If they took all the old books off the shelves of the libraries in New York City's schools, we would have a lot of empty spaces that are not going to be filled up soon. But I am not into my bill on the Federal Government aiding libraries in schools and elsewhere. I just want construction at this point. Let us deal with making construction a priority and really be serious about the first priority. If you really care about education, if you really think our Nation is at risk, if you really believe that an educated society ought to be our first priority in terms of national security, an educated people, the one way to guarantee that our economy will continue to go forward and prosper, an educated people is absolutely necessary in order for our democracy to work appropriately. Democracies cannot work without educated people. The people must be educated. Even when you have educated people in certain societies, they still do not work if they do not have democracies.

As we learned from the Soviet Union, a highly educated society, a highly educated people, probably in terms of science and math, there is no group of people on the face of the Earth more educated than the citizens of the Soviet Union, but an educated people operating in the framework of a totalitarian society where they are not able to utilize their education fully. You cannot have open exchange, you cannot have a utilization of really what is known. If it is bottled up by Neanderthal thinkers at the top of the structure, you have a command and control society, it does not matter what the truth is. The command and control society and the people at the top will issue their own truths and they blockade the progress of the society. A total collapse resulted from the fact that you had a highly educated society able to produce hydrogen bombs, missiles, able to match us in the area of defense hardware to a great degree, but the system was no good.

Democracy first. Nothing works in this modern complex era without democracy, the openness and the back and forth, the churning process of people who are educated bouncing off each other, the trial and error method that takes place in a complex society, all that is inevitable. You can almost put it down now like a law. It is going to happen and the only way to have it happen productively is to have a maximum number of people educated so that what happens is among educated people. They will sometimes err temporarily and do strange things, elect inadequate, incompetent leaders, even elect demagogues. Occasionally they really go off the deep end but the correction will be there as long as it is democratic. There was no way to correct what was happening in the Soviet Union. No way to correct it, because of the fact that the closed society did not allow the churning back and forth and no matter how much education the people have, it would not have mattered as long as the parameters are set from the top.

If you really believe in having maximum education in our democratic society, then the first thing you ought to put on your agenda is construction of schools. Not tests. Not tests. Not yet.

Testing might make sense 5 years from now; a national test might make sense, but not now. Here are some headlines that appeared in the Washington Post about D.C. schools October 30, yesterday: "Anger over Schools Suit Gets Personal, Attacks on Parent Leaders Expose Racial Tensions."

□ 1400

The back and forth discussion over what is happening in the schools and the embarrassment has led to an upheaval that is affecting race relations in this city.

October 30, yesterday also, there was another article about tests which indicates that many students in D.C. would not be promoted.

There is a lot of talk at the White House and our committees about social promotion. Everybody is against social promotion. We are for motherhood and apple pie and against social promotion.

Let's be against social promotion, but for the national discussion to get off into a discussion of social promotion, of uniforms, of what kind of reading approach to use, phonics versus whole words, I think that is premature. Let us focus on what the Federal Government can do best before we get off into those kinds of micromanaged details.

We know they need decent places to study, to assemble. We know that. So why not focus instead on tests, rather than other problems.

October 29, Wednesday, Washington Post reports, Washington school leaders close minds, close schools. School leaders, parent advocates and a Superior Court judge, who together are keeping the D.C. public school system in turmoil, are becoming public laughingstocks.

This article starts by blaming the courts and parents for trying to do something about the D.C. schools, because they insist the kids ought to go to warm schools; furnaces ought to be fixed. Every day it seems they find new ways to resemble the children they are supposed to be helping. The consequences of their behavior are no laughing matter, however.

Don't laugh. Because of their failure to reach in the court on how schools should be maintained, something as ordinary as opening all buildings in the system simultaneously has gotten beyond their reach. That is disgraceful. On it goes discussing the fact that even now, after D.C. schools are finally open, 3 weeks late, they are having a big problem.

October 29, same day, article, "Fire Marshal Finds Leaks and Closes Eighth D.C. School." Garnett-Patterson Middle School students to move to facility in Columbia Heights. The D.C. fire marshal closed Garnett-Patterson school yesterday afternoon because of multiple roof leaks, bringing to eight the number of schools closed because of a judge's concern about school safety.

Do you want to have kids in schools where the roofs are leaking and furnaces don't work? I don't think any of us want that to happen. So why do we not talk about how we move to fix that? There was a discussion about the large amount of money spent on D.C. schools. The statement I heard on the floor today made was $10,000 per student is spent on the D.C. schools. That is pretty high. I heard somebody say that is the highest in the country. Well, that is not true. It may be the highest of any big city in the country, but there are districts in New York State where $20,000 is spent per youngster, per student, and there are probably districts across the country that are equally as high.

They are not big city districts. Maybe the Speaker, and it was Speaker GINGRICH, I think, who said Washington, DC, schools spend more than anybody else in the country on their schools per pupil. It is not true, Mr. Speaker. The number may be true for big city schools like Los Angeles and New York, Philadelphia. New York certainly is not at the $10,000 mark. It may be something like $7,000 per child.

Nevertheless, the governance and management of Washington schools have been so terrible until they have all of these problems, despite the fact they have been spending a little higher than most cities. In those cities, Los Angeles, Chicago, New York, I assure all of you, they also have problems with their roofs leaking, with their furnaces. It is just not on the radar screen.

On Tuesday, the 28th in the Washington Post, "Battle over Boilers Leaves D.C. students Out in the Cold." "Children Bussed to Other Sites as Judge Keeps Schools Closed."

October 27, "Students at 5 Schools to be Bussed to Sites."

October 26, "Contest of Wills Contributes to Chaos in D.C. schools."

October 26, "Warm Wishes Not Enough." Warm wishes are not enough, as several D.C. public schools are being shutdown because of boiler repairs last week. I found myself thinking about the Daughters of Dorcas, a special group of women in Washington who make quilts. I just wished they could sew something for all of those children who are being left out in the cold by closed school buildings, as well as for those shivering students who will be attending schools that still do not have adequate heat.

I think I made the point, I do not want to go on, but I am highlighting what is going on in Washington, DC, because I want you to know it is not an isolated case. This city is not alone in facing humongous problems with respect to their physical facilities. We ought to understand that and move forward to deal with it in this Congress.

We are irresponsible by insisting on expending a great deal of time and energy on peripheral, marginal issues. Education savings accounts are marginal, peripheral items. Vouchers are marginal peripheral items. They may have some use somewhere, some time, but they certainly do not deserve to be discussed in this state of emergency that we are facing with our schools.

We must go forward in the 105th Congress next year. I understand we are closing out on November 7 or 8 probably, and it is just as well, if this is the way we are going to approach a basic problem like education. We might as well close up the place and get out of town.

I hope we come back with a different attitude in the second year of the 105th session of Congress. I hope the attitude of the 105th Congress matches the attitude of the people out there in the communities. Our constituents are way ahead of us in feeling that there is an education emergency, in feeling that their children deserve the best. Our constituents know that their children will not pass this way but once. You do not go through schooling but once. You are in elementary school, junior high school, high school, college, only once. Your life is going on. Your children will not have a second chance.

So for every parent or grandparent, anybody who cares about children, there is an emergency. If your child is not getting the very best education they can get, there is an emergency. We ought to feel the same sense of emergency.

I was quite gratified at the way parents responded when I issued the call for volunteers to come out on last Saturday, October 25. Saturday was Net Day. Net Day was a day set aside for the whole country. This was a time to appeal to volunteers to come in and voluntarily wire five classrooms plus the library. The wiring is to help set up the possibility that the schools' computers can be linked to the Internet. So wiring for the Internet of five classrooms plus the library is a goal of each set of Net Day volunteers.

We wired 11 schools in my district. We had a real significant response. It was quite inspiring to see how parents responded. We were told at first that this wiring is a very simple matter. You show up on Saturday and in a day volunteers can wire five classrooms and a library.

It is not that simple. I don't want to discourage anybody, but you better have some people that know what they are doing at each school. You have got to have somebody who is an electrician or telephone repairman, somebody who knows how it is done.

The parents came out for training. Volunteers were asked to come to a 2-hour training session sponsored by the local phone company, Bell Atlantic. I must say that the wiring of schools in our area was a combination of volunteers in the community, the principals,

the teachers, the parents, and the private sector. The private sector was key to our success.

There was a group called New York Connects in New York City, which organizes private sector response to communities that want help for the volunteer wiring of schools.

New York connects did a great job in providing the kind of help we needed. Bell Atlantic and Apple Computer trained some of the teachers. Bell Atlantic provided a place to train and the trainers and training sessions for parents. Various other companies supplied volunteers who came out and helped providing pieces of equipment.

The process showed that even in an inner-city community, you can have a response by both the volunteers in the community and the private sector which can produce great results, if you focus on a task and a mission. I was quite impressed with the fact that the volunteer sessions, and the first session I went to, we expected 20 parents to show up. There were 45 or 50 parents there. The room was crowded. The people up front conducting the training session were white executives and technicians who had driven from Long Island through heavy traffic to get to the session to train the inner-city parents and volunteers. It was a coming together which nobody planned, but as a result of focusing on a task which is worthwhile, to carry our schools forward, it happened.

Those kinds of positive things are happening at many of the schools where we conducted the wiring. We heard the complaints that we had to be asbestos-certified, make sure that the asbestos problem is not so great that the boring of the holes would be a problem. Some schools where we were wiring for the Internet, some of the principals were complaining about the fact they are worried about the old pipes that may have led poisoning problems. On and on it goes with top floors having indications that the roof is leaking, et cetera.

Nevertheless, I am here to celebrate the good news, and what I am saying is the responsiveness of our constituents, the responsiveness of parents for an exercise like Net Day, demonstrates they are way ahead of us in terms of believing that makes a difference.

While inner-city parents in my district, the poorest—some of these schools were in our poorest sections, where they are excited about wiring the schools so the kids can have the benefits of being linked to the Internet. Why? Because their kids excite them. When the kids hear about the computers and Internet, the students get excited and the parents know it is important.

The children want to go into the 21st century. There are some people who said to me why are you concerned, and Congressman OWENS, why are you wasting your time and energy for technology for inner-city schools? Why are you concerned about the fact that in January 1998, the FCC has mandated that the Universal Service Fund go into effect and $2.2 billion will be available to public schools and libraries. What does that have to do with inner-city schools that are suffering from a lack of books? They do not have enough books. They do not have enough chalk sometimes. Teachers complain about basic supplies. So why do we not focus on basic supplies and chalk and books instead of worrying about the Internet?

My answer to people who approach me that way is that what if every city in the United States had said we are not going to deal, until we fix our sidewalks, until we repair all of our roads, we are not going to build airports. If every city in the country said we are not going to deal with airports until all the sidewalks and all the roads are fixed, we would not have modern airports and modern transportation systems. It would come to a halt.

There are still roads and sidewalks out there that are not repaired and in constant disrepair, but we go forward, and our schools have to go forward. Our inner-city schools should be no less than schools anywhere else, and that is the way I see it, and a lot of the children see it that way, and it caught on, because their parents are also beginning to see it that way.

Here is an effort that was not unique to Brooklyn. We wired 11 schools in my congressional district, but there were other schools wired in other parts of New York City on Net Day, and across the country we had schools wired on Net Day, and there are other schools across the country being wired at other times.

My colleague, the gentlewoman from Michigan [Ms. STABENOW] is involved with the wiring of schools and acquisition of technology. She is one example of how Members of Congress want this to go forward.

Again, we would have more credibility and our effort would have a greater result if we had a new initiative to guarantee that the school buildings are sound buildings. The wiring is not too old to take the new linkages, the phone systems are not too old that we are not going to encounter large quantities of asbestos problems, et cetera.

In keeping with that whole volunteer spirit, I want to announce again that I am supporting, and quite happy to be one of the people who are spearheading another National Education Funding Support Day. I am holding a copy of our poster for this year.

National Education Funding Support Day is November 19 of this year. Republicans, Democrats, everybody is invited to join us in trying to demonstrate to the public at large that we are going to provide leadership in improving our schools in every way.

□ 1415

We want to emphasize technology this year. We have chosen to emphasize technology this year. We chose that because this is the prelude to the opening of the universal service fund for schools and libraries. That is going to happen in January 1998. We want schools to start getting prepared, and understand that they cannot wait to be in on this.

National Education Funding Support Day is sponsored by the National Commission for African American Education. This year's poster has a basketball star, Patrick Ewing, of the New York Nicks. Patrick Ewing happens to be from this area, the star of Georgetown University in Washington, who also now is the president of the National Basketball Association, Patrick Ewing.

I hope next year we can get lots of stars, so in local areas we can have different posters with stars of baseball, football, basketball, women and men, appealing to youngsters and their parents to look at education as belonging to them. We need changes to go forward from the masses. Whatever we do as leaders needs to be complemented by mobilization in our communities. Our communities need to get more involved.

We have seen this happen in the area of crime. The National Night Out Against Crime, for example, is an idea that caught on in our communities. Every community has some activities on the National Night Out Against Crime. The reason crime is going down across the country, there are many factors, but one of the factors is that more ordinary citizens, ordinary people, have understood that they should get involved in trying to get rid of crime. Crime-fighting is not a professional activity that ought to be left to the police and judges and the criminal justice system, but every citizen has a role, too.

Every citizen has a role in education. We are saying that on November 19 every group should go out and do something in connection with the promotion of education, either at day care centers, the public school, if you want, at your college, but do something on November 19 in connection with National Education Funding Support Day.

We would like to have two things resonate. One is opportunities to learn in the area of technology, and that is what this message is. It is Patrick Ewing standing in front of a computer with some schoolkids. We want to emphasize that we are on the edge of a great jump start in technology for schools. That is going to be provided by the FCC mandate for a universal fund for libraries and schools, so technology is important.

The other thing we want to resonate is that construction is important. Technology, the training of teachers, charter schools, nothing that we do is going to succeed unless we have buildings and facilities that are adequate for schools across the country. Every State has a problem that would be helped if the Federal Government were to take the initiative.

Let us stop our waste of time on vouchers, on testing, on education savings accounts. Let us put them on the back burner, and when we open the second year of the 105th Congress, let us look forward to focusing on funding for education which provides more technology in our schools and also provides for adequate physical facilities for all of our schools.

The National Commission for African-American Education has a little brochure. If Members are interested, I think their phone number and their address is in the brochure. The chairman of the National Commission for Education, for National Funding Support Day, is Dr. Edith Patterson, a former school board president in Charles County, MD. The number they give, if Members want to contact them directly, is 301–753–4165 and 301–870–3008. Those are two numbers.

For more information, the brochure talks about some of the activities that Members can sponsor on National Education Funding Support Day. The National Commission for African-American Education is located in Silver Spring, MD. I do not see the address here. Call the number and you will get, certainly, information. Certainly my office is able to give more information. It is a way to mobilize the general public. It is a way to take advantage of the fact that there is a good feeling out there about doing something about our schools.

In the past we have had all kinds of activities launched by some Members of Congress. I think the gentlewoman from the District of Columbia [Ms. ELEANOR HOLMES NORTON] conducted lectures on that day last year. Last year we decided to launch an effort on National Education Funding Day called NetWatch. NetWatch was designed to wire schools in our area, in our district.

NetWatch proposed at that time to wire 10 schools in 10 weeks, but because of the teachers' processes, because of all the complications that you run into when you try to wire schools for the Internet, it took us until October 25. National Education Funding Support Day last year was October 23. We did not get a single school wired until 12 months later, on October 25.

The NetWatch activities that were launched on National Education Funding Support Day resulted in our Net Day wiring of 11 schools in central Brooklyn, my 11th Congressional District. But we are now in a position, we have a group of people we are forming called NetWatch Fellows. All those volunteers who came out and supported us, parents and local residents, we are asking them to stay with us and form a group called NetWatch Fellows, so we can move the process from the wiring of the school for the Internet right through the process of getting more computers, of getting all the connections they need, of getting software, of getting program materials, and of helping teachers get the training, so that the final result of our efforts are not in vain, the final results are that in the classroom the curriculum is effective and youngsters will find a more exciting way to get knowledge, to be inspired, and to learn whatever they have to learn. That is our goal. Our NetWatch Fellows will carry us to that process.

We had 11 schools in the 11th Congressional District, and we had great cooperation from the principals. There is an organization called the Hussein Institute of Technology, founded by a gentleman who, in private industry, does computer networks. He has founded a school for free to train people on how to use computers, both adults and youngsters. Mr. Hussein and the Hussein Institute of Technology has sort of been the backbone of the effort of NetWatch in the 11th Congressional District.

Again, we had at the top level the New York Connects, a similar organization, private entrepreneurs and technicians and executives in the area of technology who provided invaluable assistance in the effort to wire schools on October 25. The board of education is to be commended because it cut through a lot of the usual problems that you encounter in a large organization like the board of education, and they provided us with the personnel, help, and they attended the meetings. They made things happen.

The board of education, New York Connects, NetWatch, all came together with the volunteers in our community to make things happen in terms of wiring 11 schools on Net Day.

There are many schools that have contacted my office and said, when is it my turn? My answer is that we hope to provide a movement. We have started a process. This core of volunteers in some cases will be able to go to other schools and volunteer and help them move forward. In all cases we are trying to change policy, routines, management practices in the board of education which will accelerate this.

There is a technology plan. The board of education has a technology plan. What we want to do is accelerate the implementing of the board of education's technology plan so our schools are not waiting 10 years from now for the technology that many suburban schools enjoy today in great abundance.

In summary, what I am saying is that testing, for all of those who think that testing is important, testing may be important 4 or 5 years from now. Let us put it on the back burner and deal with it then. Vouchers may have some merit, but they are only a tiny pebble when it comes to dealing with the problem of improvement of education in America.

It may be that vouchers should be left to private industry. New York City has a model. The mayor of New York got scholarships for 1,000 youngsters, vouchers for 1,000 youngsters, by raising money in the private sector. Private industry, private people, donated money, so they have 1,000 youngsters who have vouchers to go to nonpublic schools.

That is 1,000 youngsters out of 1.1 million. We have 1.1 million students in New York City schools. I am happy for the 1,000 if it leads to success, and I see no reason why private industry cannot supply the money. Many of them will be going to parochial schools. Many of them will be learning religion as well as other things. That is all right with private money. Their parents took the private voucher money, they decided to send them, and that is quite all right. Parents have that right. We do not get into a debate about church and school.

I would say to those who want to push vouchers, why not let the private sector raise the money for the vouchers and demonstrate the utility of vouchers in solving problems, if that is the case. If we are going to launch a voucher program to demonstrate that it can help solve the problem, then let us use private sector initiatives and private sector money for vouchers.

Let us return to charter schools as another clear way to offer an alternative to traditional public school education. Charter schools can offer competition. Charter schools can develop innovations that might be replicated in the public schools. Charter schools can offer a great deal.

In New York City, we have something else called the alternative public schools. Alternative public schools fall in between charter schools and traditional schools. Alternative public schools are basically run and controlled by the central board of education, but they allow a great deal of leeway and latitude in the local group that wants to operate that alternative school. That is another possibility.

Of course, as I said before, we cannot let up on the process of hammering away at the big school systems in our big cities. They are going to be the system that provides most of the education for inner-city children for a long time to come. We cannot let them off the hook with governance, management.

The scandal in Washington, DC, that a command and control system, a centralized system, has allowed to happen

should not be allowed to happen again. We should keep a vigilant watch on all of our school systems, but most of all, the Federal Government should send a message across America that where it hurts most, or where we can be most helpful, in the area of school construction in 1998, we are going to come together and make that the backbone of the effort to improve education in America, the Federal aid effort to improve education in America. Construction comes first.

UPCOMING TOPICS OF CONCERN FOR THE U.S. HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore (Mr. COOKSEY). Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for 30 minutes as the designee of the majority leader.

Mr. NEUMANN. Mr. Speaker, we are nearing the end of our session. I rise today to talk about a couple of topics that are still pending out here, and that will be dealt with in the upcoming session next year. I thought we ought to kind of summarize a little bit about them before we close out the year. A lot of us here are hoping next week is the last week we are out here.

There have been a lot of accomplishments. I am going to spend some time talking about those accomplishments, and how far we have come, and I am going to conclude with a little discussion about where we might go to, and what our hopes and dreams are as we move.

There are a couple of issues pending. I am going to start with one that is current and that we may also have some discussions on in the next week. That is national tests. We are hearing a lot about this idea that Washington somehow is prepared to develop this national test to test our students to see whether or not they get the education that Washington thinks they should get.

I want to bring this up to discuss a little bit, because as a former teacher I was actively involved in developing tests, but it was not a national test, it was a local test. When I was teaching math, I used to go to some of the folks in town. They would say some of my kids did not know, and I call them my kids because we really got pretty close in our classroom, some of my kids did not know what they expected them to know on math, how to balance a checkbook, count change, some of the elementary things. I said, yes, they do. They graduated from my math class, so therefore my kids know this stuff.

People uptown said, no, they don't. We took a survey of the people uptown, and we found out what it was that our people in Milton, WI, thought our Milton High School graduates should know, and then we developed a test to see whether or not our Milton High School students knew what the people uptown expected them to know when they graduated from high school.

Is this not how it should be done, the local community, the parents, teachers, school board, working together to decide what it is that the students in Milton, WI, should know, or in the local communities should know?

□ 1430

That is how the test should be developed. The concept of Washington, DC, deciding what the students in Milton, WI, should know, instead of the parents and the teachers in the community, is just the wrong concept. That is one of the issues we still have pending before us out here during this session, and it may be dealt with before we adjourn for the year, but possibly will be put off until next year.

There is another one that we have had a vote on and it is actually one of the most difficult discussions that we have to have, and I cannot believe that we have discussions on this topic in America, and that is on partial-birth abortion.

One of the things that happened in 1997 is that the House of Representatives passed a bill that said there will be no more partial-birth abortions in America except when the life of the mother is at stake. The Senate passed the same bill. It was sent to the President and it was vetoed.

Mr. Speaker, I think it is very important that we understand what a partial-birth abortion is, and I think this practice, hopefully, can be eliminated in the next session in 1998. But if not, the people that are preventing it from being eliminated should simply be replaced in the upcoming election cycle.

In a partial-birth abortion, a doctor literally reaches into the womb of a pregnant woman, grabs the ankle of the baby, and literally pulls the arms and legs of that baby out of the womb. At the last second, just before the baby's head is delivered, the doctor sticks a scissors in the back of the head and kills the baby.

It is interesting when I talk about this, people have a tendency to tune out. It is like they do not want to talk about that. We cannot even discuss that in America. And they are right; we should not be discussing this in America.

How can any citizen of our great Nation possibly justify a nearly born baby having a scissors stuck in the back of its head and being killed? This is something that is so outrageous. What amazes me most about this discussion is not that it is very difficult to discuss, because it is very difficult for me to discuss, but what is amazing is that when I do discuss it, people call me radical. They call me radical because I do not think that when a baby's arms and legs are literally delivered and moving that it makes sense in our great Nation to stick a scissors in the back of that baby's head and kill the baby. It is outrageous.

The status of this bill, it was sent to the President after passing both the House and the Senate. I am happy to say that the Wisconsin delegation from the House of Representatives, that all of our delegates, Republican and Democrats, pro-choice and pro-life, all of the people from the great State of Wisconsin voted to end this practice in the House of Representatives.

The bill was sent to the President. The bill was vetoed, and we would expect in 1998 that bill will be brought back to the House of Representatives and in the House of Representatives we will override the President's veto, because this practice is so outrageous and so wrong in this great Nation.

I hear when I talk about this to our constituents, "Mark, you have no business talking about it. That is not government's role to talk about this sort of thing. It should be up to the doctor and it should be up to the mother." Mr. Speaker, I will tell my colleagues that when I took my oath of office, I swore to uphold the Constitution of the United States of America. The Constitution of our great land guarantees life, liberty and the pursuit of happiness. It does not guarantee life, liberty, and the pursuit of happiness to all those who vote, but it guarantees life, liberty, and the pursuit of happiness to all American citizens.

Mr. Speaker, it seems to me that when a child reaches the point when its arms and legs are literally moving around, that that child is guaranteed protection under our Constitution just like any other American citizen and, doggone it, it is time we talk about this and keep talking about it until the problem itself disappears because we have outlawed the practice of partial-birth or live-birth abortion in America.

Mr. Speaker, I am optimistic that in 1998 we will see at least the House of Representatives overturn the President's veto of a ban on partial-birth abortions, and I would hope that the Senators that have voted against it and have not provided the necessary votes will see the light and will come around to vote to override the President's veto in 1998. And, hopefully, in 1998, for once and for all, we can ban partial-birth abortions or live-birth abortions in the United States of America.

There are some other topics that have been pushed to the back burner, and I would like to start with one that directly affects our senior citizens, it affects them dramatically, and that is Social Security. I think it is important as we begin this Social Security discussion to understand exactly what is happening.

Mr. Speaker, in 1983 when the Social Security trust fund was near bankruptcy they, quote, "fixed" the Social

Security system. What they did is started collecting more money out of the paychecks of working families and workers all across America. They collected more money than what they paid back out to the senior citizens in benefits. In 1996 alone, they collected $418 billion in taxes out of the paychecks of workers across America and they only spent $353 billion. They only send out $353 billion to our seniors in checks.

To most folks, this would seem like it is working pretty good. They collected $418 billion and only sent out $353 billion. The idea is this: By collecting that extra $65 billion, they would put it into a savings account and when the baby boom generation gets to retirement and there is too much money going out and not enough coming in, we will go to the savings account and get the money and make good on the checks. The idea is if we collect $418 billion in 1996 and we only spend $353 billion, that will leave $65 billion to put into the savings account to make sure that Social Security is safe for our senior citizens.

Well, unfortunately, that is not what is going on in Washington. This comes as no big surprise to anybody who follows Washington closely. Here is what Washington does with the Social Security money. They collect all $418 billion and then they put it in the big Government checkbook, the general fund. They then spend all the money out of the general fund. As a matter of fact, they overdraw the general fund. That is called the deficit.

They take the $65 billion extra they collected, put it in the general fund, spend all the money out of the general fund. As a matter of fact, they overdraw that checkbook so there is no money left and at the end of the year they simply put an IOU, an accounting entry, down here in the Social Security trust fund.

So the fact of the matter is that this extra money that is being collected that is supposed to preserve and protect Social Security is not being put away the way it is supposed to be. In fact, all that is in there is in nonnegotiable Treasury bonds, generally referred to as IOU's.

Mr. Speaker, this practice is wrong. We in our office introduced legislation, and forgive me if this does not seem like Einstein legislation; it is not. It simply says that the money that comes in for Social Security goes directly into the Social Security trust fund. It does not go into the general fund. It goes directly into the Social Security fund.

What does that mean? It means that $65 billion that they collected more than what they paid back out to our senior citizens in benefits would actually go into that savings account the way it is supposed to be. Let me suggest the way it happens if this bill is passed. It is a pending bill. We have 100 cosponsors, Democrats and Republicans have cosponsored this bill.

Mr. Speaker, if this bill is passed, Social Security is solvent all the way to at least the year 2029 and maybe significantly beyond that. If this bill is not passed and we continue to spend the Social Security money that is coming in, rather than put it aside the way it is supposed to be set aside, then Social Security is in trouble not later than the year 2012. So let me say that once more. If the Social Security Preservation Act is passed, Social Security is solvent for our senior citizens for the foreseeable future. If it is not passed and we continue the practice of taking the $65 billion, putting it in the general fund and spending it, if that practice continues, Social Security is in serious trouble not later than the year 2012.

So when we look at issues that need to be addressed in 1998 and 1999, this is certainly one of the key issues. It is important that folks understand Washington's definition of a balanced budget and what a balanced budget means as it relates to Social Security.

Remember, the Social Security trust fund collected $65 billion and put it in their checkbook. So when Washington says their checkbook is balanced, what they actually mean is they took this $65 billion, put it in the checkbook, spent all the money out of the checkbook, but the checkbook was not overdrawn and that is a balanced checkbook.

So my colleagues can see, even after we reach a balanced budget, and we should not downplay that, the budget has not been balanced, even by Washington definition, since 1969. That is a monumental accomplishment, and it appears that we are going to get that done in 1998, 4 years ahead of schedule. But even when we get that done, they are still using the Social Security trust fund money to make it look balanced.

Here is another way of looking at that same picture. When Washington reports the deficit to the American people, they actually report this blue area. So in 1996, when they reported a deficit of $107 billion, what Washington actually meant is the checkbook was overdrawn by $107 billion, but in addition to that, they spent the $65 billion that came in extra for Social Security.

So when Washington says it is going to balance the budget, it is very important people understand what they really mean is this blue area is going to go away, but they are still going to be spending the Social Security trust fund money. It is very, very important that we do not downplay the accomplishments, because getting to a balanced budget is important. And it is obvious that we have to get to a balanced budget before we can stop spending Social Security money. But it is also important that we understand that once we reach a balanced budget, our job is not done.

Mr. Speaker, we have no business spending the Social Security trust fund money and anybody who supports spending that money on other Washington programs instead of setting it aside ought to be unelected in the next election. It is that simple and straightforward.

Having said that, I think it is important that we look at some other solutions to these problems, look at how far we have come. It is clear we still have a long way to go, but we have made significant accomplishments during this year.

In order to understand how far we have come, I think it is important to note where we started back in 1995. When I left the private sector to run for office it was because I had looked at this chart and I had watched this debt that faces the United States of America and I had just watched it grow. That Social Security money, those IOU's, they are part of that growing debt facing this Nation. As a matter of fact, as we look at this chart, we can see from 1960 to 1980, the debt grew a very small amount. But from 1984 it grew off the map.

By the way, Mr. Speaker, I know all the Democrats say, "Yeah, that's the year that Ronald Reagan got elected," and the Republicans are going to say, "Yeah, the Democrats spent out of control." The fact of the matter is it does not matter if we are a Democrat or a Republican. The bottom line is that our Nation is this far in debt and we better do something about it.

Mr. Speaker, this is what we came into office facing in 1995. This is the problem that brought many of us out of the private sector, myself included, having never held a public office before. It is this picture that brought us out of the private sector and it is an understanding that this problem needed to be solved if we have hope that we are going to have a future for our children in this great Nation that we live in.

How far in debt are we? Well, it is $5.3 trillion as of today; $5.3 trillion translates into $20,000 for every man, woman, and child in the United States of America. If we take that $5.3 trillion and divide by the number of people in the country, it is 20,000 bucks for every man, woman and child in America today. That is how much money our Government has borrowed.

For a family of five like mine, which is where the problem comes in, for a family of five, the U.S. Government has literally borrowed $100,000, most of it over the last 20 years. The kicker to this whole thing is down here. A lot of my constituents go, "So what? Does it really matter or doesn't it?" Well, yes, Mr. Speaker, it matters. It matters because every month a family of five like mine needs to send $580 a month, every month, to Washington to do nothing but pay the interest on the Federal

debt, $580 a month for an average family of five to do nothing but pay the interest on the Federal debt.

Then my constituents go, "Well, that is not me. I don't make that much money, so I'm not sending $580 a month to Washington." But, Mr. Speaker, they forget to take into account that if we do something as simple as walk in a store and buy a loaf of bread, the store owner makes a small profit on that loaf of bread. And when the store owner makes a profit on that bread, part of that profit gets sent to Washington. When we add up all the taxes on groceries or gasoline or whatever, an average family of five is, in fact, spending $580 a month to do nothing but pay interest on that Federal debt.

Mr. Speaker, I think it is important we talk about how we got to that number. What in the world went on in this country that we ran up a debt that the people here in Washington decided it was appropriate to spend $100,000 on behalf of my family of five and every other group of five like it across America? What is going on out there? Did they try to solve it? What led us to this point?

Mr. Speaker, I think this chart says a lot about it. And I could show any one of a number. I have got the Gramm-Rudman-Hollings bill of 1987, but there was a Gramm-Rudman-Hollings bill of 1995 and another one in 1987. There was a 1990 deal, a 1993 deal, but they all had the same basic elements to them. They all said, yes, we had not ought to be spending our children's money. We are going to balance the budget in five years out or whatever, but they all said we are going to balance the budget.

As a matter of fact, this blue line shows how they were going to balance the budget by 1993. The red line shows what actually happened, because every time Washington set about controlling Washington spending to balance the budget, they broke their promises to the American people. I could put any one of a number up here, but they all look the same.

There is a blue line that shows how they were going to balance the budget, and then there is a red line on top that shows how they failed to do what they said they were going to do for the American people. So we got out here to 1993, after failing in 1985 and 1987 and 1990 and again in 1993. We get out here to 1993, and we are looking at this problem and Washington decided that there was only one thing left to do.

□ 1445

We cannot control Washington spending. There are too many important things that Washington wants to spend money on. So what we are going to do is take more money away from the working people, get it out here to Washington so Washington can decide how to spend that money because, after all, Washington knows best how to spend the people's money.

So in 1993, they passed the biggest tax increase in history. The idea was if we got more money out of the pockets of the people that somehow that would lead us to a balanced budget. That is what led to the revolt in this great Nation. That is what led to the turnover of Congress in 1994. The people said, enough of this stuff. We have had it with the broken promises. We have had it with raising our taxes. That is not what we want. We do not want Washington deciding how to spend our money. We want Washington to let us keep our own money so that we can make decisions on how to spend it because we know best how to spend our own money.

This picture is what led to the turnover in 1994. It was the fact that they could not get to a balanced budget, coupled with the tax increase that led to the 1994 revolt, if you like, amongst the American people that sent a change in control of Congress. We are now 3 years into this thing. This is kind of the background.

We laid out a plan to balance the budget. We said we wanted to reduce taxes. We made a bunch of promises when we got here in 1995, too. I think the American people ought to be asking, what has happened in the last 3 years? How are you doing? Are you any different than the group that was there before you?

I brought a chart to show our promises. In 1995, when we got here, we laid out a plan to balance the budget, too. We were realistic and we said, we will get there by the year 2002. We are now 3 years into that plan to balance the Federal budget, but notice where the red line is. For the first time the red line is not out of whack. We have not only hit our targets, but we are significantly ahead of schedule. We will have the first balanced budget in fiscal year 1998. The first time since 1969, we are going to see a balanced Federal budget 4 years ahead of promise. This is significant.

At the same time we balanced the budget we lowered taxes for the first time in 16 years and, if time permits later on, I would like to go through some of those. They are heavily oriented toward education and toward families: $400 per child; grandparents can start putting $500 per child away in an education savings account; college students, $1,500 freshman and sophomore year tax credit; that is, you figure out your taxes and subtract $1,500 off the bottom line; juniors and seniors in college continuing education; young couples where one has gone back to school, it is 20 percent of the college tuition credit; capital gains lowered from 28 percent to 20; for those that were in the 15-percent bracket earning less than 40,000 a year, lowered from 15 down to 10; no more tax when you sell your personal residence if you have lived there for 2 years. The list goes on and on.

Encouragement for savings for retirement even if you are in a 401(k). You can now join a Roth IRA and put $2,000 a year away. When you take the money out at retirement, you pay no taxes on the accumulated money.

The bottom line is, this picture is very important. It is very, very different than this picture where the promises were made, but they were not kept. Promises were made and they are being kept. We are not only on track to getting to a balanced budget, but we are significantly ahead of schedule. I show charts like these out at town hall meetings. The people say, MARK, the economy is so good, you guys are taking credit for that good economy. If the economy were not that good, of course, you would not be doing these things. Partly that is true. The economy is doing very well. That is part of why this picture is true. But the reality is, we have had good economies between 1969 and today many times.

Every time the economy has been good in the past, Washington saw that extra revenue coming in and they spent it. This Congress is different. The economy is good, but instead of spending the extra revenue, we are getting to a balanced budget ahead of schedule.

I think this perhaps is the most significant picture that I can possibly show in terms of describing how different Washington is. The economy has been strong. There has been over $100 billion a year in revenue coming in above expectations. In the face of that, this Congress looked at spending. It was growing at 5.2 percent before we got here.

This column shows how fast Washington spending was increasing before we got here in 1995. We, in the face of that strong economy and extra revenue coming in, we slowed the growth rate of Washington spending by 40 percent in 2 years. The growth rate of Washington spending now is down to 3.2 percent. Would I like it to be lower? Yes. But the reality is, we have slowed the growth of Washington spending by 40 percent in 2 years in the face of a very strong economy.

I challenge anyone, any of my colleagues anywhere in America to find a Congress before us that had an extra $100 billion above expected revenue coming in and have that, find a Congress that spent less money than they said they were going to spend and slowed the growth rate of Washington spending in the face of that strong economy. It has not happened in our history. This is new. It is different. It is the reason that we are able to both balance the budget and lower taxes at the same time.

In fact, in real dollars, Washington was growing at 1.8 percent annually before we got here. It is now growing at

.6 percent. The real growth has been slowed by two-thirds. Do we still have a ways to go? Should we slow that to zero? We do not need a bigger Washington. Washington could do less. Sure, we would like to go further, but I do not think we should look past the fact that in 2 short years we have slowed the real growth of Washington spending by two-thirds in 2 short years.

This is what has led to this point where we have our first balanced budget since 1969 and we have a tax cut package at the same time. Are we finished? Absolutely not. When we started this discussion today about Social Security and how when we talk about a balanced budget that Social Security money is still being spent, we have a long ways to go.

We need to pass the Social Security Preservation Act, which is the act that stops Washington from spending that money. We are not going to quit here. We are not going to quit with this. The other thing that we hear out at our town hall meetings is, this would have happened even if you guys were not there. No matter what you did, this would have happened.

I brought a chart with me to show exactly what would have happened if we had played golf and basketball and tennis instead of doing our job. Almost no one in America can forget the first year that we were in office, 1995. There were all sorts of things going on. It was just short of bullets out here. There was misinformation on Medicare attacks. There were school lunch attacks that were full of misinformation. There was just short of a war in this country. Government shutdowns, you name it.

The reason those things were going on is because if we had done nothing, this red line shows where the deficit was going. It was headed to $350 billion if nothing was done. Remember, that is instead of balancing the budget, even with the Social Security money on top of this, it was going to be a $350 billion deficit. The yellow line shows how far we got in our first year. The green line shows our hopes and dreams, that we were actually going to be able to balance the budget by 2002. And the blue line shows what is actually happening, how far ahead of schedule we are. We are winning a monumental battle for the future of this great Nation. We are winning a battle that is going to allow our children to have hope in this great Nation that we live in.

This is not the end. Again, I think it is very important that we understand that when we reach a balanced budget, we still have problems in this great Nation. We still have a $5.3 trillion debt staring us in the face. We still have the Social Security trust fund money being spent on other Washington programs. The battle is not over when we reach a balanced budget.

I have with me a chart showing what we suggest that we do next. This is really the future. We bring us to a balanced budget. We start the process of lowering taxes. We restore Medicare for our senior citizens.

This is next. It is called the National Debt Repayment Act. What it says is this. Once we reach a balanced budget, we slow the growth rate of Washington spending. We cap it at a rate at least 1 percent slower than the rate of revenue growth. This picture shows what will happen if we do that.

This is the point we reach balance. The red line shows spending growth in Washington and I would like to see it slower. That is just for the record. But it shows that if spending is going up at a rate 1 percent slower than the blue line, the rate of revenue growth, if spending is just controlled, that it goes up 1 little percent slower than the rate of revenue growth, it creates this area in between here called the surplus.

With the surplus under this bill we do two things. We take one-third of that surplus and dedicate it to additional tax cuts, and we take two-thirds and put our great Nation on a home mortgage type repayment plan. The two-thirds of this surplus literally starts making payments on the Federal debt, much like you would make payments on a home loan.

As a matter of fact, if this plan is followed, by the year 2026, the entire Federal debt would be repaid and the legacy we would leave our children would be a debt-free Nation instead of a Nation so overburdened with debt that they have to look forward to sending $580 a month to Washington when they have their families.

The opportunity here to pay off the Federal debt is so great and so monumental that we need to move rapidly in this direction. As we reach the balanced budget, this needs to be the next step that we put the Nation on, a debt repayment plan.

One other thing, as we repay the Federal debt, the money that has been taken out of the Social Security trust fund that I spent time talking about, that money that has been taken out of the Social Security trust fund, those IOU's, as we are paying off the Federal debt, that money is returned to the Social Security trust fund and Social Security once again becomes solvent for our senior citizens. The tax cuts, I think it is important we realize another piece of legislation that is being introduced, part of my dream for the future of this country, that we abolish the IRS Tax Code as we know it today.

The legislation has been introduced to abolish the IRS Tax Code as we know it today in the year 2001 so that we can replace it with a simpler, fairer, easier-to-understand Tax Code.

How does that relate to the National Debt Repayment Act? As we are providing tax cuts each year, it gives us the opportunity to facilitate that move to a simpler, fairer tax system. So think about this for our dream and our vision for the future of America. First, we do not do what they did in the past anymore. No more broken promises of a balanced budget. No more tax increases. We continue on the path that we are currently on.

We reach our balanced budget, first time since 1969. We lower taxes for the first time in 16 years, and we restore Medicare for our senior citizens. That is the present.

Here is our dream for the future. Our dream for the future is that we put our Nation on a debt repayment plan much like a home mortgage repayment plan. As we are on that plan to pay off the Federal debt, as we are on that plan, we put the money back into the Social Security trust fund that has been taken out so our seniors can rest assured that Social Security is safe and secure. We lower taxes each and every year by utilizing one-third of that surplus for additional tax cuts. We replace the IRS Tax Code with a system that is easier, simpler, much fairer, something the American people can understand. And the most important part of this dream, the most important part of this vision for the future of our country is that we, in our generation, can leave our children a legacy of a debt-free Nation, a legacy where they can once again look forward to having the opportunity to live a life that is as good or better than ours, the opportunity to have a job right here at home in America.

That is what this dream is about. It is about balancing the budget, paying off the Federal debt, restoring the Social Security trust fund for our senior citizens, lowering taxes and, most important of all, providing the children of this Nation and our grandchildren with a debt-free country so they can have, once again, the hope and the dream of living here in this great Nation and having the opportunity of a better life, much as we have had during our generation.

INTRODUCTION OF H.R. 2786

The SPEAKER pro tempore (Mr. COOKSEY). Under the Speaker's announced policy of January 7, 1997, the gentleman from Pennsylvania [Mr. WELDON] is recognized for 30 minutes as the designee of the majority leader.

Mr. WELDON of Pennsylvania. Mr. Speaker, I take out this final special order today before we adjourn for the weekend to call attention to a piece of legislation that I introduced today along with 104 of our colleagues. H.R. 2786, known as Impact '97, is the Iranian Missile Protection Act of 1997, a very important piece of legislation not just for the security of Americans, but for the security of our American allies, for the security of Israel, for the security of 25,000, at least 25,000 of our troops who are currently serving

around Iran in various theaters including the Balkans.

Mr. Speaker, this bill is strongly bipartisan. In fact, it has 85 Republicans and 20 Democrats. Out of the Committee on National Security's membership, the bill has 29 Republicans who have cosponsored it and 15 Democrats. The cosponsors include the chairman of the Committee on National Security, chairman of the Committee on International Relations, chairman of the Select Committee on Intelligence. It includes members of the leadership. It includes key Democrats who are critical on defense issues, like the ranking Democrat of the Committee on Appropriations, Subcommittee on National Security, the gentleman from Pennsylvania [Mr. MURTHA] and the gentleman from Washington [Mr. DICKS]. These Members share the same concerns as I and that is that we have a threat that is emerging that could cause serious problems not just for our troops, but for our allies and friends approximately 12 months from now.

What is that threat, Mr. Speaker? Why do we need this legislation? Why must it be put on a fast track? Mr. Speaker, we have been told by this administration repeatedly that in the intelligence briefings that have been provided to us in the Congress we have no reason to worry about the proliferation of weapons of mass destruction, especially those involving medium and long-range missiles.

The intelligence community, just a year ago, issued an upgraded intelligence estimate that basically told Members of Congress and the public that we have no reason to fear a threat for our safety for at least 15 years. That intelligence estimate which we soundly criticized a year ago has now been recognized to have had political overtones placed upon it. We were also told, Mr. Speaker, that we would have no regional threats to the security of our troops in the foreseeable future and that we would, in fact, be able to put into place systems that would be able to respond to those threats that we saw emerging in the near term.

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All of that changed, Mr. Speaker, this past summer. It changed because the Israeli intelligence community was able to gain information that documented that factions in Russia, the Russian space agency and several Russian constitutes and scientists had, in fact, been working cooperatively with Iranian scientists and technologies to give Iran a missile technology that they can now deploy anywhere beyond 12 months from this date. Which means that even though the intelligence community was telling Members of Congress that we did not expect to see a threat emerge for 4 or 5 or perhaps 10 or 15 years, Israel was able to examine through their intelligence community actually they have copies of contracts that were signed between key Iranian agencies and key Russian agencies that now have indicated to us that Iran can deploy a system within 1 year.

Now let us look at what that means in terms of the region, Mr. Speaker. Iran is the red area in the center of this map, which covers all of Europe and most of Asia and part of Africa. Iran currently does not now have a missile system except for the type that was used in Desert Storm, the SCUD missile system. This technology is considered primitive at best, even though it was the cause of the largest loss of life in Desert Storm when that Iraqi SCUD went into that barracks where young Americans were sleeping, killing a number of our young military personnel. That is the sophistication that Iraq and Iran have had up until now in terms of missile technology. And even though it is rather crude and does not have sophisticated guidance systems built into it, it still kills people.

The largest loss of life involving American troops was caused by a SCUD missile coming into those barracks because we did not have technology to shoot that missile down during Desert Storm when our backs were against the wall. And when the Israeli people were very fearful of the threats and the missiles that were being lobbed into their country, we deployed a variation of the Patriot system. The Patriot system was not designed to take out the missiles. In fact, it was designed to shoot down aircraft. But because we had no system to put into place, we had to use a varying of the Patriot, put systems in Israel and into countries like Kuwait and Saudi Arabia to try to give us some limited protection against the SCUD missiles that Iraq would launch.

We put those systems in place, Mr. Speaker. But as the record shows, the Patriot systems were only partially effective. In fact, some estimations show that the Patriot was only 40 or 50 percent effective in taking out SCUD missiles. So many of those SCUD's got through.

But we are not talking about the SCUD missile now, Mr. Speaker. We are talking about a system that Iran has developed or is developing with the cooperation from Russia. Russia has very sophisticated missile systems: long-range, medium-range systems with very capable guidance mechanisms built in. The intelligence data that we now have, which has been declassified because it is being reported in the media in a widespread way and which I am going to refer to. I am not referring to any classified briefings. I am only referring to what is being reported in the media.

The intelligence community, as reported by the media now, shows that within 12 months Iran will have a system that will initially have a capability of approximately 800 miles and eventually will have a capacity to go as far as 1,200 miles around Iran in terms of hitting its target. When we look at these areas that are colored in blue and green, we get a sense of the potential impact of these medium-range missiles, which we expect Iran will have as early as 1 year from this date.

That means, Mr. Speaker, that parts of Europe now become threatened by Iran. That means now that at least 25,000 of our troops who are stationed in this area now become potential targets of Iranian missiles. That now means that all of our allies in this region in the Middle East and beyond now can become threatened by Iranian medium-range missiles.

Why is this so significant, Mr. Speaker? Because having Iran have this kind of capability could potentially upset the balance of power in the Middle East. If Kuwait and Saudi Arabia and the other Arab nations who are not our friends think that Iran has a capability that we cannot shoot down, that could upset the balance.

Now, how sophisticated are these missiles that Iran is going to be developing? Well, the Russian SS–4 system, which is the technology being transferred to Iran and has been under transfer for the past several years, is a very capable medium-range missile.

Now the question becomes, is it accurate? Can it hit the spot where it is intended to go? The point is, it really does not matter. If you are shooting off missiles, it does not matter if you hit this part of the city or that part of the city, you are still going to kill people. But let us look at whether or not the Iranians also have sophistication in terms of guidance.

Mr. Speaker, in front of the American people today I hold up two devices. These were manufactured in Russia. These were not manufactured in the United States. This is a gyroscope, Mr. Speaker. And this is an accelerometer. These two devices, which look to be brand new, were taken off of an SS-N–18, which is a very capable missile, medium- to long-range missile, that Russia has thousands of that had been aimed for years at American cities and carried on board their submarines.

Where did I get these two devices with the Russian markings on them indicating where they were built and what missile they were taken from? Mr. Speaker, these devices were intercepted by intelligence officials from Israel and Jordan as they were being transferred from Russia to Iraq. These devices were intercepted 2 years ago.

I was there January the month after the Washington Post ran the story about the transfer of these guidance systems. Because together they are the guidance system for missiles. They make missiles extremely accurate so they can pinpoint the most populated

areas of cities and can do the most destruction when they are launched. When I was in Moscow, I met with our Ambassador, Ambassador Pickering. I said to him a month after the Washington Post story ran, "Mr. Ambassador, what was the response of Russia when you asked them about the accelerometers and the gyroscopes?" He said, "Congressman WELDON, I have not asked them yet." I said, "Why? This happened 6 months ago." He said, "That has to come from Washington."

I came back to Washington, Mr. Speaker. And at the end of January, I wrote President Clinton and I said, "Mr. President, why have you not personally asked the Russians about the transfer of these devices? Because that is illegal. It is a violation of an arms control agreement, an agreement called the Missile Technology Control Regime." The President wrote back to me in April, Mr. Speaker. And guess what he said. He said, "Congressman WELDON, we don't have enough evidence that this transfer of technology took place."

Mr. Speaker, these are the devices. We knew about their existence. We saw their existence. In fact, Mr. Speaker, there were 120 sets of these devices, each of them manufactured in Russia, and all of them transferred into this particular place, to Iraq.

Now, the question is not whether they were transferred legally or whether they were transferred illegally. Arms control agreements do not make a difference. A country that is a signatory to an arms control agreement certifies to the other nations in that agreement that they will prevent the transfer of technology.

So, in this case, the transfer of these devices was clearly and blatantly a violation of an international arms control agreement. In fact, Mr. Speaker, this was the seventh time Russia violated the missile technology control regime. In each of the seven instances, similar to the transfer of these devices to Iraq, this administration imposed no sanctions on Russia. They either said, we did not have enough information, we could not fully verify it, or we chose not to impose sanctions.

Now, we wonder why Iran and Iraq are getting the capability to kill our troops and to kill and injure our friends. It is because of the policy direction of this administration and not being tough enough in enforcing arms control agreements.

Mr. Speaker, besides these devices, there were two other transfers of accelerometers and gyroscopes from Russia to Iraq. Iraq tried to hide them in the Tigris River Basin. They were found. And they are a part of the 120 sets that we know now were attempted to be transferred that we, in fact, have physically in the hands of people who are our allies and friends.

The point is, Mr. Speaker, if Iraq was able to get these kinds of very sophisticated guidance devices, we can bet our bottom dollar Iran has the same capability. Because, unlike Iraq, we have evidence that Russia and Iran have been cooperating on this new medium-range missile that they are going to deploy 12 to 18 months from now.

So that means, Mr. Speaker, that these missiles which will now be able to hit any city in any part of Israel, which now will be able to take out any of the installations where our 25,000 troops are stationed that any of our allies in this region are currently located, that this missile will be able to cause severe destruction.

The problem, Mr. Speaker, is a simple one. We will not have a system in place to take out this missile. I repeat, Mr. Speaker. As the chairman of the House National Security Research Committee, which oversees all the funding for defensive systems to protect against this threat, we will have no system to take out these missiles, not 12 months from now and probably not 18 or even 24 months from now.

The American people are justified in asking the question: Why, if we are spending hundreds of millions of dollars a year on offensive and defensive military programs, why then 12 months from now will we not have a system that can shoot down these Iranian missiles that were built with Russian and Chinese technology?

The answer is, Mr. Speaker, that this administration, while basically putting forth a good public story about its commitment to theater missile defense, has not in fact been aggressive in pushing for deployment of these systems.

We have a number of options. We have a Navy option called the Navy upper and lower tier systems, which are under development with Navy and Army, called THAAD, theater high altitude area defense system, under development. We have another system, a variation of the Patriot, called PAC–3, which has more capability than the earlier version of the Patriot that was used in Desert Storm.

Israel, likewise, is working on a system entitled the Arrow. The Arrow system is similar to the Patriot and will have a capability but not quite the capability to take out the speed and the length in terms of distance of the Iranian missile that we expect to be deployed as early as 12 months from now.

So unfortunately, Mr. Speaker, as we look to meet this threat, the fact is that we will not have a system ready to be deployed 12 months from now. So if Iran does what the media reports that in fact they will be able to do, and that is deploy this system, we will have a window of vulnerability. That window of vulnerability could last 6 months. It could last 12 months. It could last 2 years. We will have a period of time, beginning sometime in late 1998, where Iran will be capable of deploying a system that we will not be able to take out if in fact they should use that system.

Now, let us remember back to the largest loss of life in Desert Storm. It was that SCUD missile that Saddam used against our troops in Saudi Arabia, the largest loss of life in Desert Storm. Iran has threatened to use both offensive chemical and biological weapons, as well as nuclear weapons on both Israel and on America. One year from now, under a current estimate that has been established in terms of Iran's program, they could have a medium-range missile that could hit Israel, any of our troops in that theater, or our allies. The problem, Mr. Speaker, is that it could well contain either a biological or a chemical weapon and quite possibly, and we have not yet determined this, quite possibly a nuclear weapon.

Mr. Speaker, this administration has not done enough. What our bill does is it says that this is a priority that this country has to address today, not 12 months from now, not 16 months from now, but today. If we are going to be prepared to deal with the threat that we see emerging 1 year from now, then the development and deployment has to begin in 1997.

What does our bill do? Our bill, Mr. Speaker, takes assets that we now have and increases funding in ways that can give us enhancements and improvements. Let me give my colleagues an example. Our bill takes the Patriot system, which has very serious limitations on what it can defend against.

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The Patriot system initially in Desert Storm could only impact an area the size of this small green circle, very limited. I cannot give the distance in terms of miles because that is classified, but I can give the approximate detail percentagewise of the impact area. The Patriot itself was very limited in what it could defend against, which is why it was not really successful in Desert Storm. By putting into place immediately additional radar systems, additional early warning systems, and by putting additional batteries and early sensors for the PAC–3 system, we can expand the coverage area by the area in the blue.

So that Members can see, Mr. Speaker, that we can take a system that we have available today and we can enhance it and improve its capability significantly, both in terms of distance and in terms of circumference, by putting in additional enhancements now. Our bill provides the dollars to do just that, to allow us to put into place additional radar, additional coordination of interoperability, additional C3I in terms of interactive communications in command and control of these systems, and in doing so we get an enhanced capability that 12 months from now we can deploy.

In addition to the Patriot system, we provide additional funding for the THAAD program. Mr. Speaker, THAAD is a system that has still not been proven. It is being developed by the Army. The premise of THAAD is that it is a land-based unit that the Army can take wherever it goes and it can protect those troops in that theater. So if our troops are assigned in the Middle East, we can put a THAAD battery there and it will provide areawide protection for all of our troops so that we never have another barracks loss of life like we had in Saudi Arabia.

The problem with THAAD is it is good technology, but we have not yet had an intercept in our test program. We are hoping that this first intercept will take place in the first quarter of 1998. In the bill that I have introduced today, Mr. Speaker, we set aside additional funding so that if and when we have that successful intercept for the THAAD program that we immediately make money available to not just buy one test unit but to buy two demonstration test units. One of the units would be tested here in the United States, as is currently planned. The second battery would be deployed to the Middle East to be a direct support system for our troops that are stationed in that area. So we would have two test batteries of the THAAD system deployed where it in fact in several years could take out an Iranian missile or any other missile fired at our troops.

The third option, Mr. Speaker, is called Navy Upper Tier. The Navy Upper Tier system uses our existing Aegis technology, our most sophisticated systems, on our submarines. This technology is several years away from being fully deployed. But by putting additional dollars into radar systems and enhancements, we think we can speed up the deployment of the Navy Upper Tier system by perhaps as much as 1 year, so that by the turn of the century or slightly thereafter, we will be able to use Navy Upper Tier as a major defensive program.

The fourth major system that benefits from our bill to provide us additional protection against the Iranian capability is what the Israelis are working on. Israel has been working with our missile defense organization on a program called Arrow. Arrow is a system developed in Israel with American technology help. This system will ultimately give Israel very capable protection against lower level missiles that are not fired from long distances. The problem is that if Iran develops a capability for this medium-range system, as we currently think it is doing, then this Arrow system will not be able to cover all of Israel to take out those missiles if, in fact, they are used. What we want to do, Mr. Speaker, in this legislation is provide additional funds so that Israel can both look at enhancing the Arrow Program as well as providing additional Arrow missiles for test purposes.

In this legislation, Mr. Speaker, Impact 97, we have four very specific actions that we take to give us a capability within 12 to 18 months to deal with the threat that we think is going to be in place, a threat that jeopardizes not just our friends but also American troops and American citizens. Now, the President has said repeatedly and the administration has said repeatedly that theater missile defense is its top priority. If that be the case, Mr. Speaker, then we should have no problem in getting the administration to work with us in these systems. Unfortunately, that has not been the case.

Three weeks ago, I met with Gen. Les Lyles, who heads up the ballistic missile defense organization and who is the point person for the President. He said, "Congressman Weldon, I want to work with you and I want to provide good solid information on which you can base your bill." Three weeks later, Mr. Speaker, I am sorry to say I have had no concrete data provided from General Lyles' office. Why? Because the Secretary of Defense and the Budget Office of the Department of Defense does not want to cooperate in giving us in the Congress realistic numbers upon which we can make our suggestions for additional dollar allocations to meet this threat. We have had to go to people in a private way, who are in the administration, who do not want to be named, and we have had to go to former directors in the agency to have them give us the dollar amounts and the direction as to where we should put additional resources to meet this threat.

Mr. Speaker, that is just unacceptable. This administration, which has said repeatedly that theater missile defense is our top priority, has again not been supportive of this Congress' attempt in a bipartisan way to deal with the threats that we see emerging. In spite of their lack of cooperation, we have put together a bill that we think is fairly realistic.

On Wednesday of next week, Mr. Speaker, I will chair a congressional hearing that will focus on the Iranian threat, that will focus on what Iran is now doing, that will focus on Iran's capabilities but will also look at what our response will be; namely, Impact 97, our bill to protect our people, our troops, and Israel and our friends from the threat of medium-range missiles and the potential devastation that they can cause on America and our friends and our allies.

Mr. Speaker, it is my hope that in this process, we will convince the administration to join with us, since this President has said repeatedly that this is, in fact, his highest priority. But unfortunately, Mr. Speaker, time and time again this administration has said one thing while doing the opposite.

It was this administration and this President who pounded his fist on the table in front of APAC's national convention and told the Israeli supporters that he was for a program called THEL. What he failed to tell those people was he tried to zero out funding for the testing for THEL for 3 consecutive years. It was the Congress, Democrats and Republicans in the Congress, who kept that program alive.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. WELDON of Pennsylvania. I yield to the gentleman from California.

Mr. DREIER. I thank my friend for yielding. I would simply like to rise as, I think, the most recent cosponsor of the gentleman's legislation to congratulate him. I believe this will go a long way toward addressing a number of our concerns. Technology transfer, as he and I were discussing earlier, is a very important way of stepping up our national ballistic missile defense system. I would simply like to congratulate my friend and encourage him wholeheartedly to proceed.

Mr. WELDON of Pennsylvania. I thank my good friend and colleague from California [Mr. DREIER] for stopping by and sharing his thoughts and thank him for his support. He was the 104th cosponsor, we now have 105. One hundred and five Democrats and Republicans, Mr. Speaker, have challenged this administration on their top priority, theater missile defense, in 1 week. I started this bill on Monday. Today I introduced the bill with 105 cosponsors, 20 Democrats, 85 Republicans, who are as concerned as the Israeli Minister of Defense, who this week is in Washington, Minister Mordecai, who has said publicly that if the United States does not respond Israel will have to take preemptive action to protect its people.

Is that what we are getting to now, Mr. Speaker? We have to rely on our allies coming to our defense because we do not want to put the systems in place to protect the loss of life of our troops? Is that what we have degenerated into? A second-rate nation that is going to allow our kids to be killed first and then say we should do something? That is what happened, Mr. Speaker. When we lost those kids in Desert Storm, it was because we did not apply the resources where the need was greatest. This bill will prevent that from happening again. It will allow us to put the resources, very small resources, on the threat that is here and very nearly will be deployed by a nation that everyone in the world considers to be a rogue operative and that has threatened to annihilate the American people and our troops on a consistent and regular basis.

Mr. Speaker, let me just say in closing that the reason why I think we are where we are today is a threefold reason. First of all, this administration

has not enforced arms control agreements. I have given instances, seven times now with the MTCR, no sanctions imposed. With the case of China, accelerometers and gyroscopes going to Pakistan, no sanctions imposed. In the case of China, chemical and biological materials going to Iran, no sanctions imposed. What good are arms control agreements if we are not going to enforce them?

The second problem, Mr. Speaker, is the President has used the bully pulpit to lull the American people into a false sense of complacency. As I said on this floor many times before, this President 140 times has given speeches all over America, 3 times from this pulpit in the State of the Union Address where he has looked at the camera and said, "You can sleep well tonight because for the first time in 50 years, Russian missiles are no longer pointed at America's children." As the Commander in Chief, he knows he cannot prove that, because Russia will not give us access to their targeting practices. He further knows that if he could prove that, you can retarget an ICBM in 30 seconds. But by saying that over and over again, 140 times on college campuses, in the well of the Congress, around the world, you create the feeling in America that we have nothing to worry about, there are no longer any threats, use of the bully pulpit in an extreme way just as wrong as some of my colleagues wanting to recreate Russia as an evil empire, which I do not believe.

The third reason why we are where we are today with Iran, Mr. Speaker, is because this administration has deliberately politicized and sanitized intelligence data. That is a pretty harsh statement. Can I back that up? Mr. Speaker, I will cite, not today with the lack of time, but I will cite for anyone who wants the information five specific instances where I can prove that this administration has deliberately taken intelligence data that is intent on giving the Congress an understanding of an emerging threat and this administration has either cut off the head of the messenger or has sanitized that information. Most recently last week we saw the announced early resignation and retirement of the director of our CIA Non-Proliferation Center, an outstanding professional who has given his life to allowing this country to understand emerging threats from proliferation activities of countries like North Korea, China, and Russia. Because of pressure that was felt on this individual and his job because of briefings he has given to Members of Congress and where he has given us information about technology transfer about China and Russia giving technology to rogue nations, he was basically put in such a terrible position that he took early retirement rather than face the prospect of having to fight his superiors in the White House and the State Department.

The second example. I heard about a briefing from a Russian expert at Lawrence Livermore Laboratory 2 years ago called Silver Bullets about emerging Russian technology. As the chairman of the House research committee on defense, I asked for that briefing. For 6 months, I was denied the briefing. During the 6 months, I got an anonymous letter in my office which I have kept. The anonymous letter was addressed to me, no return address, no signature. It said, "Congressman Weldon, please continue to ask for this brief."

Mr. Speaker, we should never have to have the intelligence community anonymously ask us to be briefed on an issue as important as emerging technologies. Another example of this administration choking the information that we need to make intelligence decisions about the threats that are emerging around the world. Mr. Speaker, we need to understand that intelligence is designed to keep us informed on emerging threats.

A third example was the direct removal of Jay Stewart from his position as the person in charge of security for the Department of Energy intelligence operation monitoring Russian nuclear material. That case has been documented. Jay Stewart has been before my committee. Jay Stewart was removed from his position because he was saying things that people in the White House did not want to listen to. This is not America, Mr. Speaker. That is why we are where we are today. That is why Iran has a capability that is going to threaten America, threaten our troops and threaten our allies. I would encourage our colleagues to cosponsor Impact 97 so that we have the protection we need 12 months from now to defeat Iran in its effort to destabilize the entire world community.

Mr. Speaker, I thank you, and I thank the staff for bearing with me during this special order.

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FAST TRACK NEGOTIATING AUTHORITY GOOD FOR AMERICA

The SPEAKER pro tempore (Mr. COOKSEY). Under the Speaker's announced policy of January 7, 1997, the gentleman from California [Mr. DREIER] is recognized for 60 minutes as the designee of the majority leader.

Mr. DREIER. Mr. Speaker, we are not only at the end of the legislative day, but the end of the legislative week, and the three most heard words over the next several hours all across the country will be "trick or treat."

This is Halloween, and, as we think about those words, I would like to talk about an issue which some, unfortunately, believe may be a trick on the people of the United States of America, but in fact it is more than a very, very well-deserved and well-earned treat. I am talking about the issue that we will be voting on most likely 1 week from today, and that is whether or not we should be granting authority to the executive branch to proceed with negotiations in an attempt to open new markets, so that U.S. workers will be able to produce goods and services that can be exported into those new markets.

Yes, it is called fast track, and I happen to believe that it is the right thing for the workers and the consumers of the United States of America and for workers and consumers throughout the world.

My friend from Pennsylvania [Mr. WELDON] was just talking about national security issues and the need for a missile defense system. I am a very strong supporter. As I said a few moments ago, I am proud to be I guess the 104th cosponsor of his legislation.

Mr. Speaker, the issue that we are going to be voting on next week is a very important national security issue as well. In fact, in many ways, it may be the most important national security vote that we face.

The reason I say that is that the United States of America, as we all know, is the world's only complete superpower: Military, economically, and geopolitically. As such, we have tremendous responsibility as a nation.

We are clearly the world's greatest exporter. Our Nation is involved in the issue of international trade in a way that is greater than any other nation on the face of the Earth. And what has happened over the past several years? Well, the technological changes that we have seen, many of those items which have been developed right here in the United States of America, have led the world to shrink.

We are dealing with what is known as a global economy. In fact, in an era decades ago when it would take a steamship to get a message across the ocean, we obviously see instantaneous communication. I talk to constituents who now, based on developments just within the last week, are up at 2 o'clock in the morning monitoring the stock exchanges in Singapore, Tokyo, Hong Kong, and other parts of the Pacific rim. Why? Because whether we like it or not, we are living in a global economy today.

I happen to like it, because I believe that this global economy has played a key role in allowing the United States of America to have clearly the highest standard of living on the face of the Earth.

Now, what do we need to do as we look at the need to continue to remain competitive in this global economy? It is very important that we remain in the most potent position. The only way to do that, the only way for us to do that, is if we allow authority to begin negotiations to deal with a lot of these

issues to proceed. That is why the Congress must grant this so-called fast track negotiating authority.

It expired a few years ago. We have been trying to come to an agreement, and I am happy to say several weeks ago we did come to an agreement which allowed us to successfully address many of the concerns that have been raised over the past several years.

Why is it that we need this? Well, if you look at the fact that in this global economy the world has access to our consumers, that, frankly, is a very good thing. It is a good thing because it has allowed consumers in the United States of America to purchase high quality products at the lowest possible price.

But now what is it we need to do as we look at other parts of the world and how we even strengthen our already strong economy? What we need to do is we need to break down barriers that exist in other countries throughout the world.

A number of my colleagues have said to me in discussing this over the past several days, gosh, why don't those countries just unilaterally eliminate their tariff barriers? The fact is, if we look at where we are going on this issue, it does take a negotiating process. It does take a give-and-take. But the goal is to break down those barriers so that U.S. workers are going to be able to have new markets for their goods and services.

So what needs to be done? We need to have the authority granted so that when negotiations start, our negotiators at the table will be in a similar position to the negotiators from other countries. And what does that mean? It means that when they negotiate an agreement to cut taxes, and a tariff is a tax, as they work for those tax cuts, those tariff reductions, they will be able to come back to the United States and say to the Congress, "You can't renegotiate the agreement that we have struck, but you have the final say as to whether or not this is a good agreement."

The U.S. Congress can vote "yes" or "no." If it is a bad agreement, I will be the first one to stand here and vote "no." But if it is a good agreement, I will be leading the charge in favor of it, because a good agreement is one that will cut that tax, that tariff barrier, and create new opportunities for U.S. workers.

So as we look at where we are headed, I think it is important to touch on the benefits of this global economy to us. In fact, everyone acknowledges that we have seen tremendous improvements in our economy. One of the major reasons has been through international trade.

I am privileged to stand in this Chamber as a Representative from the State of California. In California, we are the gateway to the Pacific rim and Latin America, tremendous new emerging markets in both of those parts of the world. And, remember, with those emerging markets, what happens? We improve the living standards in those countries. So many of the issues that we face as problems here can be effectively addressed.

I am referring, of course, to the hotly debated question of illegal immigration, of great concern to me and the people whom I represent in southern California. Many people who come into this country come illegally seeking economic opportunity. Well, if we can through greater international trade enhance the economist of our neighbors and other countries throughout the world, clearly we will create a disincentive for people to come to the United States simply seeking economic opportunity, as has been the case.

In fact, today international trade represents nearly one-third of the gross domestic product in this country, $2.1 trillion, an amazing figure from international trade. In fact, 25 percent of all of the U.S. jobs today are related to international trade, and, in fact, they have wage rates that are 16 percent higher than those that are producing simply for domestic consumption.

That is why I am so troubled when I turn on the television and see these advertisements that the AFL–CIO and other opponents to international trade agreements advertise. These advertisements are a clear misrepresentation, because as we gain new and greater markets for U.S. products, just based on the way things have gone, the wage rates for those union members will be 16 percent higher than it is for those members who are simply producing for domestic consumption here in the United States.

We have today the lowest unemployment rate in three decades. It is 4.9 percent. And, guess what? That 4.9 percent level of unemployment has gone down to that level following implementation of, again, the much-maligned North American Free Trade Agreement and the completion of the Uruguay round of the General Agreement on Tariffs and Trade. So as we have done that, we have been able to break down some barriers, and we have been able, as I said, to see 25 percent of the jobs in this country exist because of the fact that we have gained new markets.

With this authority, we want to gain even more in new markets, because it will improve the standard of living here and in other parts of the world.

I was mentioning the issue of our leadership role. Clearly the United States of America cannot cede that leadership role to other parts of the world, because we as a country have stood traditionally in a bipartisan way with Democrats and Republicans supporting this goal of breaking down barriers and trying to gain new markets and new opportunities for us.

There are many people who have raised understandable concerns about the climate and the situation in other countries with which we would establish these agreements. People are understandably concerned about low wage rates in other countries. They are understandably concerned about the potential for low environmental standards.

Well, I happen to believe that will, based on the empirical evidence we have seen, improve the standards of living in these countries, improve wage rates, improve environmental standards. Of course, look at our very strong economy. That has played a key role in allowing people to focus attention on making sure that we have a cleaner environment, and has allowed the American worker to focus on improvement of their plight. Getting wage rates up and improvements in their negotiations, in the same way as we proceed with international trade in these other countries, we will, through trade, be able to successfully improve those standards.

One of the provisions in this fast track measure of which I am particularly proud is when it comes to the negotiating process we are not going to allow countries to engage in what is called the race to the bottom. We are not going to allow a country to intentionally lower their environmental standards or worker rights standards simply to distort trade.

An example I use, just take for example if the Government of Chile, which is the country with which we hope to embark on a free trade agreement in the not-too-distant future after we put into place this fast track negotiating authority, if they were to lower their standards and say to the copper mining industry in Chile, for example, that you can dump sledge in the street, and it is being done to undercut the copper mining industry here in the State of Colorado in the United States, that is an issue that could go to a dispute resolution panel and could be addressed.

So we do not allow under this agreement countries to simply reduce their standards as a way to distort trade. But the way to improve those standards, which we are all concerned about, is through greater exchange and greater trade. So I am very, very encouraged about that.

There are many people who have raised concerns about the constitutional aspect of this, and clearly the use of fast track authority is the legislative branch, both the House and the Senate, exercising its rulemaking authority. Every trade bill needs to, as I said, be voted on and passed by a majority in both the House and the Senate and signed into law by the President. So we clearly do have a key role in dealing with these agreements.

So I will say, Mr. Speaker, that this is, I know, a very controversial issue.

It has created a great stir, and people over the next week are going to be talking about it. But I believe that it is a win-win-win-win-win situation. It is a win all the way around, because the idea of reducing taxes, reducing tariffs, has been a global desire now. It goes all the way back to 1947 when the General Agreement on Tariffs and Trade was established. They were established with the goal of reducing tariff barriers. Now we have a great chance to do that.

There are small businesses in California and in other parts of the country. I have been listening to our colleagues from both parties all across the country talking about how small businesses are involved in gaining access to new markets, and they want to be able to do more. They want to be able to do more.

□ 1545

As I listened to the kinds of proposals that have come forward to address some of the concerns, I think that those are positive, too, because I think there are some justifiable concerns.

But, Mr. Speaker, as we look at the vote next week, if we were to make what I think would be a horrible decision in this House and defeat the measure, we would basically be saying that the United States of America is no longer going to play the role as the world's strongest leader in the area of international trade. So it would be a grave mistake.

This goal we have is a vision which has existed for a long period of time. I will say to my friend, the Speaker here, the Speaker pro tempore, he recalled with me just a little while ago that it was on November 7, 1979 when Ronald Reagan announced his candidacy for President of the United States, and in that he talked about an accord that would see free trade going from the slopes of Alaska to Tierra del Fuego, ultimately seeing free trade among all the Americas.

I had the opportunity a couple of weeks ago to be in Argentina and Venezuela and Brazil on the trip that the President took. On that trip it was very clear that these countries are looking to the United States for the leadership role in the area of international trade. I am confident that the U.S. Congress will, with a great, great vision, look next Friday when we cast that vote towards doing it.

One of the other things beyond this hemisphere happens to be dealing with some very specific areas that need to be addressed in a multilateral way with many other countries. Those areas include agriculture. We have had a very tough time in agriculture getting into a lot of new markets. Why? Because there are many countries that have had these tariff barriers and nontariff barriers which exist which have prevented the chance for exports to go into those countries.

If we look at the issue of financial services, we all see that there are banks all over the United States with international names. Basically the world's financial services industry has access into the United States. Yet we, unfortunately, have been unable to negotiate agreements that will allow our financial services industry to expand in providing those products and services to consumers in other parts of the world. That is why we need to get this fast track authority through.

One of the other very important items, again to my State and to all the other States, is this very amorphous issue called intellectual property rights. Intellectual property, what does that mean? Well, these are items that are developed through the intellect of people in that home country.

We need to make sure that those rights are protected. In the area of pharmaceuticals, we have many very, very necessary drugs and other items that are created in the pharmaceutical industry. We need to make sure that the responsibility for those lies with those countries where they are developed, and that they get full credit and remuneration for them. That is why international property agreements need to be struck.

I represent the Los Angeles area. The entertainment industry is very, very important to our State. In fact, if we look at the entertainment industry, well over 90 percent of the world's programming for the motion picture industry and the television programming comes from right here in the United States, and we are all aware of the fact that piracy has been a serious problem.

We need to deal with negotiations on that kind of intellectual property violation that has existed. Guess what? We will not be able to deal with the negotiations for financial services, getting our financial institutions into new markets, we will not be able to deal with negotiations for agriculture, to gain new markets for agricultural products, and we will not be able to as successfully deal with intellectual property violations if we do not have fast track negotiating authority passed.

So while there are many people out there who would like to blame all the ailments of society on international trade, nothing could be further from the truth.

Mr. Speaker, I hope very much that the Speaker pro tempore and all of our colleagues will next week, when we face what I acknowledge will be a very tough vote here in this institution, that Members will join in supporting what is clearly the right thing to do as we remain the greatest Nation on the face of the earth.

BILLS AND JOINT RESOLUTIONS APPROVED BY THE PRESIDENT

The President notified the Clerk of the House that on the following dates he had approved and signed bills and joint resolutions of the following titles:

July 18, 1997:

H.R. 173. An act to amend the Federal Property and Administrative Services Act of 1949 to authorize donation of Federal law enforcement canines that are no longer needed for official purposes to individuals with experience handling canines in the performance of law enforcement duties.

H.R. 649. An act to amend sections of the Department of Energy Organization Act that are obsolete or inconsistent with other statutes and to repeal a related section of the Federal Energy Administration Act of 1974.

July 25, 1997:

H.R. 1901. An act to clarify that the protections of the Federal Tort Claims Act apply to the members and personnel of the National Gambling Impact Study Commission.

H.R. 2018. An act to waive temporarily the Medicaid enrollment composition rule for the Better Health Plan of Amherst, New York.

August 1, 1997:

H.J. Res. 90. Joint resolution waiving certain enrollment requirements with respect to two specified bills of the One Hundred Fifth Congress.

August 5, 1997:

H.R. 709. An act to reauthorize and amend the National Geologic Mapping Act of 1992, and for other purposes.

H.R. 1226. An act to amend the Internal Revenue Code of 1986 to prevent the unauthorized inspection of tax returns or tax return information.

H.R. 2014. An act to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998.

H.R. 2015. An act to provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998.

August 11, 1997:

H.R. 584. An act for the relief of John Wesly Davis.

H.R. 1198. An act to direct the Secretary of the Interior to convey certain land to the City of Grants Pass, Oregon.

H.R. 1944. An act to provide for a land exchange involving the Warner Canyon Ski Area and other land in the State of Oregon.

August 13, 1997:

H.R. 1585. An act to allow postal patrons to contribute to funding for breast cancer research through the voluntary purchase of certain specially issued United States postage stamps, and for other purposes.

August 15, 1997:

H.R. 408. An act to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes.

September 17, 1997:

H.R. 1866. An act to continue favorable treatment for need-based educational aid under the antitrust laws.

September 30, 1997:

H.J. Res. 94. Joint resolution making continuing appropriations for the fiscal year 1998, and for other purposes.

H.R. 63. An act to designate the reservoir created by Trinity Dam in the Central Valley project, California, as "Trinity Lake".

H.R. 2016. An act making appropriations for military construction, family housing,

and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1998, and for other purposes.

October 6, 1997:

H.R. 111. An act to provide for the conveyance of a parcel of unused agricultural land in Dos Palos, California, to the Dos Palos Ag Boosters for use as a farm school.

H.R. 680. An act to amend the Federal Property and Administrative Services Act of 1949 to authorize the transfer of surplus personal property to States for donation to nonprofit providers of necessaries to impoverished families and individuals, and to authorize the transfer of surplus real property to States, political subdivisions and instrumentalities of States, and nonprofit organizations for providing housing or housing assistance for low-income individuals or families.

H.R. 2248. An act to authorize the President to award a gold medal on behalf of the Congress to Ecumenical Patriarch Bartholomew in recognition of his outstanding and enduring contribution toward religious understanding and peace, and for other purposes.

H.R. 2443. An act to designate the Federal building located at 601 Fourth Street, NW., in the District of Columbia, as the "Federal Bureau of Investigation, Washington Field Office Memorial Building", in honor of William H. Christian, Jr., Martha Dixon Martinez, Michael J. Miller, Anthony Palmisano, and Edwin R. Woodriffe.

October 7, 1997:

H.R. 2209. An act making appropriations for the Legislative Branch for the fiscal year ending September 30, 1998, and for other purposes.

October 8, 1997:

H.R. 2266. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1998, and for other purposes.

October 9, 1997:

H.R. 1420. An act to amend the National Wildlife Refuge System Administration Act of 1966 to improve the management of the National Wildlife Refuge System, and for other purposes.

October 10, 1997:

H.R. 394. An act to provide for the release of the reversionary interest held by the United States in certain property located in the County of Iosco, Michigan.

H.R. 1948. An act to provide for the exchange of lands within Admiralty Island National Monument, and for other purposes.

H.R. 2378. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1998, and for other purposes.

October 13, 1997:

H.R. 2203. An act making appropriations for energy and water development for the fiscal year ending September 30, 1998, and for other purposes.

October 23, 1997:

H.J. Res. 97. Joint resolution making further continuing appropriations for the fiscal year 1998, and for other purposes.

October 27, 1997:

H.R. 2158. An act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes.

H.R. 2169. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

October 30, 1997:

H.J. Res. 75. Joint resolution to confer status as an honorary veteran of the United States Armed Forces for Leslie Townes (Bob) Hope.

SENATE BILLS AND JOINT RESOLUTIONS APPROVED BY THE PRESIDENT

The President notified the Clerk of the house that on the following dates he had approved and signed bills and joint resolutions of the Senate of the following titles:

July 24, 1997:

S.J. Res. 29. Joint resolution to direct the Secretary of the Interior to design and construct a permanent addition to the Franklin Delano Roosevelt Memorial in Washington, D.C., and for other purposes.

July 29, 1997:

S. 768. An act for the relief of Michel Christopher Meili, Giuseppina Meili, Mirjam Naomi Meili, and Davide Meili.

August 7, 1997:

S. 430. An act to amend the Act of June 20, 1910, to protect the permanent trust funds of the State of New Mexico from erosion due to inflation and modify the basis on which distributions are made from those funds.

August 8, 1997:

S. 670. An act to amend the Immigration and Nationality Technical Corrections Act of 1994 to eliminate the special transition rule for issuance of a certificate of citizenship for certain children born outside the United States.

October 1, 1997:

S. 910. An act to authorize appropriations for carrying out the Earthquake Hazards Reduction Act of 1977 for fiscal years 1998 and 1999, and for other purposes.

S. 1211. An act to provide permanent authority for the administration of au pair programs.

October 6, 1997:

S. 996. An act to provide for the authorization of appropriations in each fiscal year for arbitration in United States district courts, and for other purposes.

S. 1198. An act to amend the Immigration and Nationality Act to extend the special immigrant religious worker program, to amend the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 to extend the deadline for designation of an effective date for paperwork changes in the employer sanctions program, and to require the Secretary of State to waive or reduce the fee for application and issuance of nonimmigrant visa for aliens coming to the United States for certain charitable purposes.

October 9, 1997:

S. 871. An act to establish the Oklahoma City National Memorial as a unit of the National Park System; to designate the Oklahoma City Memorial Trust, and for other purposes.

October 22, 1997:

S. 1000. An act to designate the United States courthouse at 500 State Avenue in Kansas City, Kansas, as the "Robert J. Dole United States Courthouse".

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DEUTSCH (at the request of Mr. GEPHARDT), for today, on account of official business.

Mr. WELDON of Florida (at the request of Mr. ARMEY), for today, on account of attending his father's funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SNYDER) to revise and extend their remarks and include extraneous material:)

Mr. HOYER, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. SNYDER, for 5 minutes, today.

Mr. VISCLOSKY, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

(The following Members (at the request of Mr. WHITE) to revise and extend their remarks and include extraneous material:)

Mr. WHITE, for 5 minutes, today.

Mrs. CHENOWETH, for 5 minutes, today.

Mr. METCALF, for 5 minutes, today.

Mr. GIBBONS, for 5 minutes, on November 5.

(The following Member (at her own request) to revise and extend her remarks and include extraneous material:)

Mrs. LINDA SMITH of Washington, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SNYDER) and to include extraneous matter:)

Mr. KILDEE.

Ms. ESHOO.

Ms. DELAURO.

Mr. LANTOS.

Mr. HAMILTON.

Mr. SERRANO.

Mr. LEVIN.

Mr. KIND.

Mr. JACKSON of Illinois.

Ms. FURSE.

Mr. BROWN of Ohio.

Mr. DELLUMS.

Mr. ETHERIDGE.

(The following Members (at the request of Mr. WHITE) and to include extraneous matter:)

Mr. SHUSTER.

Mr. TALENT.

Mr. DICKEY.

Mr. KING.

(The following Members (at the request of Mr. DREIER) and to include extraneous matter:)

Mr. WELDON of Pennsylvania.

Mr. GOODLING.

Mr. MCGOVERN.

Mrs. CHENOWETH.

Mr. CLEMENT.

Mrs. CHRISTIAN-GREEN.
Mr. MINGE.
Mr. RIGGS.
Mrs. MCCARTHY of New York.
Mr. KIND.
Mr. SERRANO.
Mr. TALENT.
Mr. PALLONE.
Mr. ACKERMAN.
Mr. RANGEL.
Mr. FORBES.
Mr. BOB SCHAFFER of Colorado.
Mrs. MALONEY of New York.
Mr. SKELTON.
Mr. MORAN of Virginia.
Ms. CARSON.
Mr. HOUGHTON.
Mrs. LINDA SMITH of Washington.
Mr. CUMMINGS.
Ms. JACKSON-LEE of Texas.
Mr. ROEMER.
Mr. MENENDEZ.
Mr. DICKEY.
Ms. WOOLSEY.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1024. An act to make chapter 12 of title 11 of the United States Code permanent, and for other purposes; to the Committee on the Judiciary.

S. 1149. An act to amend title 11, United States Code, to provide for increased education funding, and for other purposes; to the Committee on the Judiciary.

ADJOURNMENT

Mr. DREIER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 51 minutes p.m.), under its previous order, the House adjourned until Tuesday, November 4, 1997, at 10:30 a.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

5708. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially to New Zealand (Transmittal No. DTC–118–97), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5709. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially to the United Kingdom (Transmittal No. DTC–124–97), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5710. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially to Iceland (Transmittal No. DTC–122–97), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5711. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially to Japan (Transmittal No. DTC–119–97), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5712. A letter from the Director, U.S. Trade and Development Agency, transmitting a consolidated report on audit and internal management activities in accordance with the provisions of the Inspector General Act and the Federal Managers' Financial Integrity Act; to the Committee on Government Reform and Oversight.

5713. A letter from the Director, Minerals Management Service, Department of the Interior, transmitting a copy of the Minerals Management Service report "Outer Continental Shelf Oil and Natural Gas Resource Management Program: Cumulative Effects 1992–94"; to the Committee on Resources.

5714. A letter from the Director, Fish and Wildlife Service, transmitting the Service's final rule—Endangered and Threatened Wildlife and Plants; Final Rule to List the Northern Population of the Bog Turtle as Threatened and the Southern Population as Threatened Due to Similarity of Appearance (RIN: 1018–AD05) received October 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5715. A letter from the Director, Fish and Wildlife Service, transmitting the Service's final rule—Endangered and Threatened Wildlife and Plants; Final Rule to List Three Aquatic Invertebrates in Comal and Hays Counties, Texas, as Endangered (RIN: 1018–AD28) received October 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5716. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska, Pacific Cod in the Central Regulatory Area of the Gulf of Alaska [Docket No. 961126334–7025–02; I.D. 102497C] received October 30, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

5717. A letter from the the Acting Assistant Secretary (Civil Works), the Department of the Army, transmitting a report on the authorized navigation improvements at Miami Harbor, Florida, pursuant to Public Law 104—303, section 101(b)(9); (H. Doc. No. 105—162); to the Committee on Transportation and Infrastructure and ordered to be printed.

5718. A letter from the the Acting Assistant Secretary (Civil Works), the Department of the Army, transmitting a report on a project for mitigation of shoreline erosion and storm damages caused by existing Federal navigation improvements at Lake Worth Inlet, Palm Beach Harbor, Florida, pursuant to Public Law 104—303, section 101(b)(8); (H. Doc. No. 105—163); to the Committee on Transportation and Infrastructure and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on the Judiciary. H.R. 2732. A bill for the relief of John Andre Chalot (Rept. 105–360). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H.R. 2731. A bill for the relief of Roy Desmond Moser (Rept. 105–361). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. S. 731. An act to extend the legislative authority for construction of the National Peace Garden memorial, and for other purposes (Rept. 105–362). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. S. 423. An act to extend the legislative authority for the Board of Regents of Gunston Hall to establish a memorial to honor George Mason (Rept. 105–363). Referred to the Committee of the Whole House on the State of the Union.

Mr. ARCHER: Committee on Ways and Means. H.R. 2676. A bill to amend the Internal Revenue Code of 1986 to restructure and reform the Internal Revenue Service, and for other purposes; with an amendment (Rept. 105–364 Pt. 1).

Mr. ARCHER: Committee on Ways and Means. H.R. 2644. A bill to provide to beneficiary countries under the Caribbean Basin Economic Recovery Act benefits equivalent to those provided under the North American Free-Trade Agreement (Rept. 105–365). Referred to the Committee of the Whole House on the State of the Union.

Mr. ARCHER: Committee on Ways and Means. H.R. 2195. A bill to provide for certain measures to increase monitoring of products of the People's Republic of China that are made with forced labor; with amendments (Rept. 105–366 Pt. 1).

Mr. ARCHER: Committee on Ways and Means. H.R. 2622. A bill to make miscellaneous and technical changes to various trade laws (Rept. 105–367). Referred to the Committee of the Whole House on the State of the Union.

Mr. HYDE: Committee on the Judiciary. H.R. 1753. A bill to provide for the establishment of not less than 2,500 Boys and Girls Clubs of America facilities by the year 2000; with an amendment (Rept. 105–368). Referred to the Committee of the Whole House on the State of the Union.

Mr. HYDE: Committee on the Judiciary. House Joint Resolution 91. Resolution granting the consent of Congress to the Apalachicola-Chattahoochee-Flint River Basin Compact; with an amendment (Rept. 105–369). Referred to the House Calendar.

Mr. HYDE: Committee on the Judiciary. House Joint Resolution 92. Resolution granting the consent of Congress to the Alabama-Coosa-Tallapoose River Basin Compact; with an amendment (Rept. 105–370). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 2476. A bill to amend title 49, United States Code, to require the National Transportation Safety Board and individual foreign air carriers to address the needs of families of passengers involved in aircraft accidents involving foreign air carriers; with an amendment (Rept. 105–371). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 2626. A bill to make clarifications to the Pilot Records Improvement Act of 1996, and for other purposes; with an amendment (Rept. 105–372).

Referred to the Committee of the Whole House on the State of the Union.

Pursuant to clause 5 of rule X the Committee on International Relations discharged from further consideration. H.R. 2195 referred to the Committee of the Whole House on the State of the Union, and ordered to be printed.

Pursuant to clause 5 of rule X the Committees on Government Reform and Oversight and Rules discharged from further consideration. H.R. 2676 referred to the Committee of the Whole House on the State of the Union, and ordered to be printed.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

[Omitted from the Record of October 30, 1997]

H.R. 10. Referral to the Committee on Commerce extended for a period ending not later than November 3, 1997.

[Submitted October 31, 1997]

H.R. 2195. Referral to the Committee on International Relations extended for a period ending not later than October 31, 1997.

H.R. 2676. Referral to the Committees on Government Reform and Oversight and Rules extended for a period ending not later than October 31, 1997.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. WELDON of Pennsylvania (for himself, Mr. PICKETT, Ms. HARMAN, Mr. BATEMAN, Mr. BARTLETT of Maryland, Mr. MEEHAN, Mr. HOSTETTLER, Mr. BONO, Mr. GIBBONS, Mr. WATTS of Oklahoma, Mr. CRAMER, Mr. PAPPAS, Mr. RILEY, Mr. ABERCROMBIE, Mr. LOBIONDO, Mr. SPENCE, Mrs. FOWLER, Mr. ROHRABACHER, Mr. THORNBERRY, Mr. SAM JOHNSON, Mr. CUNNINGHAM, Mr. GRAHAM, Mr. CHAMBLISS, Mr. ORTIZ, Mr. HEFLEY, Mr. JONES, Mr. LEWIS of Kentucky, Mr. GILMAN, Mr. HUNTER, Mr. SOLOMON, Mr. MCHALE, Mr. SKELTON, Mr. FOX of Pennsylvania, Mr. TAYLOR of Mississippi, Mr. MCKEON, Mr. REYES, Mr. NETHERCUTT, Mr. COBLE, Mr. SMITH of New Jersey, Mr. MCHUGH, Mr. BUYER, Mr. STUMP, Mr. COX of California, Mr. SHADEGG, Mr. GALLEGLY, Mr. SAXTON, Mr. TURNER, Mr. BLAGOJEVICH, Mr. ANDREWS, Mr. RYUN, Mr. MURTHA, Mr. TALENT, Mr. WICKER, Mr. SCARBOROUGH, Mr. DUNCAN, Mr. HASTERT, Mr. BILIRAKIS, Mr. HASTINGS of Washington, Mr. GREENWOOD, Mr. SKEEN, Mr. PITTS, Mr. GILCHREST, Mr. HOLDEN, Mr. GOSS, Mr. LAZIO of New York, Mr. RODRIGUEZ, Mr. HANSEN, Mr. YOUNG of Alaska, Mrs. EMERSON, Mr. COYNE, Mr. MILLER of Florida, Mr. COLLINS, Mr. CANADY of Florida, Mr. PACKARD, Mr. BARTON of Texas, Mr. CALVERT, Mr. LEWIS of California, Mr. HAYWORTH, Mr. MCCRERY, Mr. COMBEST, Mr. KING of New York, Mr. UNDERWOOD, Mr. SESSIONS, Mr. WELLER, Mr. EHRLICH, Mr. BUNNING of Kentucky, Mr. BALLENGER, Mr. DREIER, Mr. BILBRAY, Mr. DIAZ-BALART, Mr. ENGLISH of Pennsylvania, Mr. HALL of Texas, Mr. DICKS, Mr. METCALF, Ms. DUNN of Washington, Mr. EVERETT, Ms. ROS-LEHTINEN, Mr. DOOLITTLE, Mr. THOMAS, Mr. WHITE, Mr. BOEHNER, Mr. CALLAHAN, Mr. BARRETT of Nebraska, Mr. TAYLOR of North Carolina, Mr. HILLEARY, Mr. COOKSEY, and Mrs. CHENOWETH):

H.R. 2786. A bill to authorize additional appropriations for the Department of Defense for ballistic missile defenses and other measures to counter the emerging threat posed to the United States and its allies in the Middle East and Persian Gulf region by the development and deployment of ballistic missiles by Iran; to the Committee on National Security, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. DELAURO:

H.R. 2787. A bill to designate the United States courthouse located in New Haven, Connecticut, as the "Richard C. Lee United States Courthouse"; to the Committee on Transportation and Infrastructure.

By Mr. HOUGHTON:

H.R. 2788. A bill to amend the Internal Revenue Code of 1986 to promote the grant of incentive stock options to nonhighly compensated employees; to the Committee on Ways and Means.

By Ms. MCKINNEY (for herself, Mr. LEACH, Mr. FILNER, Mr. STARK, Mr. MCDERMOTT, Mr. GUTIERREZ, Mr. LEWIS of Georgia, Mr. BROWN of California, Mr. DIXON, and Mr. WAXMAN):

H.R. 2789. A bill to save taxpayers money, reduce the deficit, cut corporate welfare, and protect and restore America's natural heritage by eliminating the fiscally wasteful and ecologically destructive commercial logging program on Federal public lands and to facilitate the economic recovery and diversification of communities dependent on the Federal logging program; to the Committee on Agriculture, and in addition to the Committees on Resources, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RIGGS:

H.R. 2790. A bill to prohibit the Administrator of the Federal Aviation Administration from closing certain flight service stations; to the Committee on Transportation and Infrastructure.

By Mrs. ROUKEMA:

H.R. 2791. A bill to amend the Communications Act of 1934 to prohibit Internet service providers from providing accounts to sexually violent predators; to the Committee on Commerce.

By Mr. SOLOMON:

H.R. 2792. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of expenses incurred in asserting any claim of employment discrimination and for damages and back pay received on account of employment discrimination; to the Committee on Ways and Means.

By Mr. SALMON (for himself and Mr. SCARBOROUGH):

H. Con. Res. 183. Concurrent resolution expressing the sense of the Congress with respect to the failure of Attorney General Janet Reno to seek application for an independent counsel to investigate a number of matters relating to the financing of campaigns in the 1996 Federal election, including the conduct of President Clinton and Vice President Gore; to the Committee on the Judiciary.

By Mr. ETHERIDGE (for himself, Mr. HASTINGS of Florida, Mr. MCGOVERN, Mr. LAFALCE, Mr. CLEMENT, Ms. BROWN of Florida, Mrs. LOWEY, Mr. PRICE of North Carolina, Ms. LOFGREN, Ms. FURSE, Mr. JOHNSON of Wisconsin, Mr. BOSWELL, Mr. ROEMER, Mrs. TAUSCHER, Ms. DELAURO, Ms. STABENOW, Mr. NEAL of Massachusetts, Mr. DAVIS of Illinois, Mrs. MEEK of Florida, Mr. MALONEY of Connecticut, Mr. HOYER, Mr. CARDIN, Mr. RAHALL, and Mr. DINGELL):

H. Res. 299. A resolution expressing support for the States in adopting challenging academic standards in core curricula; to the Committee on Education and the Workforce.

By Mr. RANGEL (for himself, Mrs. MALONEY of New York, Mr. STARK, Ms. CARSON, Mr. ABERCROMBIE, Mr. FROST, Mr. FALEOMAVAEGA, Ms. LOFGREN, Mr. COYNE, Mrs. THURMAN, Ms. CHRISTIAN-GREEN, Mr. DELLUMS, Mr. CUMMINGS, Mr. CLAY, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. MEEK of Florida, Mr. STOKES, Mr. SCOTT, Mr. RUSH, Mr. DIXON, Mr. FLAKE, Ms. FURSE, Mr. ENGEL, Mr. JEFFERSON, Mrs. CLAYTON, Mr. PAYNE, Mr. MCGOVERN, and Mr. TORRES):

H. Res. 300. A resolution expressing Support for a National Week of Reflection and Tolerance; to the Committee on Government Reform and Oversight.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. METCALF:

H.R. 2793. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade and fisheries for the vessel FIERCE CONTENDER; to the Committee on Transportation and Infrastructure.

By Mr. METCALF:

H.R. 2794. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel TAURUS; to the Committee on Transportation and Infrastructure.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 44: Mr. STUPAK, Mr. MASCARA, Mr. BOYD, and Mr. GOODLING.

H.R. 74: Mrs. LOFGREN and Mr. MATSUI.

H.R. 107: Mr. WEXLER and Mr. ABERCROMBIE.

H.R. 123: Mr. BOB SCHAFFER, Mr. WAMP, Mr. LARGENT, and Mr. LEWIS of California.

H.R. 164: Mr. NADLER, Mr. PALLONE, Mr. LANTOS, Mr. COOKSEY, Mr. UNDERWOOD, Ms. VELÁZQUEZ, and Mr. WYNN.

H.R. 296: Ms. ROS-LEHTINEN.
H.R. 303: Mr. SISISKY and Mr. BAESLER.
H.R. 351: Mr. DINGELL.
H.R. 453: Mr. KENNEDY of Rhode Island.
H.R. 789: Mr. PAXON.
H.R. 991: Mr. WELLER and Mr. EVANS.
H.R. 1114: Mrs. ROUKEMA, Mr. GREENWOOD, and Mr. FAZIO of California.
H.R. 1126: Mr. GEJDENSON.
H.R. 1173: Mr. RODRIGUEZ.
H.R. 1334: Mr. MCDERMOTT, Mr. WAXMAN, and Mr. LAFALCE.
H.R. 1415: Mr. BENTSEN, Mrs. THURMAN, and Mr. ROHRABACHER.
H.R. 1425: Mr. FRANKS of New Jersey and Mr. MCGOVERN.
H.R. 1456: Mr. CALVERT.
H.R. 1586: Mr. BONIOR.
H.R. 1614: Mr. BORSKI, Ms. CHRISTIAN-GREEN, Mr. CLYBURN, Mr. CONDIT, Mr. DEFAZIO, Mr. DICKS, Mr. FARR of California, Mr. FAZIO of California, Mr. GUTIERREZ, Mr. HOYER, Mr. KENNEDY of Massachusetts, Mr. MCNULTY, Mr. MATSUI, Mr. MORAN of Virginia, Ms. PELOSI, Mr. PICKETT, Mr. SISISKY, Ms. SLAUGHTER, Mr. WAXMAN, Mr. SKAGGS, Mr. ENGEL, Ms. VELÁZQUEZ, Mr. BLAGOJEVICH, Mr. ACKERMAN, and Mr. PETERSON of Minnesota.
H.R. 1689: Mrs. LINDA SMITH of Washington, Mr. PICKERING, Mr. PACKARD, and Mr. SNOWBARGER.
H.R. 1915: Ms. RIVERS.
H.R. 2023: Ms. KAPTUR.
H.R. 2183: Mr. UPTON.
H.R. 2292: Mr. SOLOMON.
H.R. 2327: Mr. JOHN, Mr. HILL, Ms. STABENOW, Mr. MINGE, and Mr. BRADY.
H.R. 2397: Mr. GREEN, Mrs. MINK of Hawaii, Mr. DAVIS of Virginia, Ms. KILPATRICK, Mr. CUNNINGHAM, and Mr. BATEMAN.
H.R. 2409: Mr. MCGOVERN and Mr. LEWIS of Georgia.
H.R. 2424: Mr. MILLER of Florida and Mr. GOODLING.
H.R. 2432: Mr. CLYBURN and Mr. TRAFICANT.
H.R. 2454: Mr. PAYNE and Mr. PETRI.
H.R. 2457: Mr. PAYNE and Mr. PETRI.
H.R. 2481: Mr. BASS, Mr. HASTINGS of Washington, Mr. SANFORD, Ms. SLAUGHTER, and Mrs. KELLY.
H.R. 2483: Mr. WELLER, Mr. FOLEY, and Mr. WICKER.
H.R. 2497: Mrs. CHENOWETH, Mr. BACHUS, Mr. LARGENT, Mr. GEKAS, Mr. REGULA, Mr. SHIMKUS, Mr. YOUNG of Alaska, Mr. PACKARD, Mr. PAPPAS, Mr. TIAHRT, Mr. NUSSLE, Mr. MORAN of Virginia, Mr. ROGAN, Mr. THUNE, Ms. DANNER, Mr. BARTLETT of Maryland, Mr. PITTS, Mr. SANFORD, Mr. SOUDER, Mr. GOODLING, Mr. LEWIS of Kentucky, Mr. CRAPO, and Mr. BONO.
H.R. 2499: Mr. KILDEE, Mr. BOB SCHAFFER, Mr. TORRES, Mr. EHLERS, Mrs. EMERSON, Mr. MCHUGH, Mr. MCDERMOTT, Mr. PACKARD, Mr. ENGLISH of Pennsylvania, Mrs. MORELLA, Mr. NUSSLE, Mr. CLYBURN, Mr. CAMP, Ms. KAPTUR, Mr. NEAL of Massachusetts, and Ms. STABENOW.
H.R. 2527: Ms. MCCARTHY of Missouri, Ms. SLAUGHTER, Mr. SNYDER, and Ms. KAPTUR.
H.R. 2551: Mr. DINGELL and Ms. KAPTUR.
H.R. 2554: Ms. JACKSON-LEE, Mr. EVANS, Mr. ENGEL, and Mr. DAVIS of Illinois.
H.R. 2560: Mrs. LOWEY, Mr. PETRI, Mr. BISHOP, Ms. MCKINNEY, Ms. HOOLEY of Oregon, Mr. MILLER of California, Mr. SERRANO, Mr. FATTAH, Mr. SCOTT, Mr. ACKERMAN, and Mr. PASCRELL.
H.R. 2593: Mr. HUNTER, Mr. CALVERT, Mr. RADANOVICH, Mr. ROGAN, Mr. LEWIS OF CALIFORNIA, MR. MCKEON, Mr. ROHRABACHER, Mr. CAMPBELL, Mr. DREIER, Mr. HEFLEY, Mr. PETERSON of Minnesota, Mr. BACHUS, Mr. CRAPO, Mr. STEARNS, Mr. PACKARD, Ms. KAPTUR, Mr. BAESLER, and Mr. HEFNER.
H.R. 2596: Mr. LEWIS of Kentucky.
H.R. 2597: Mr. THOMPSON and Mr. TORRES.
H.R. 2609: Mr. PACKARD, Mr. GALLEGLY, Mr. RADANOVICH, Mr. BAESLER, and Mr. BONO.
H.R. 2626: Ms. BROWN of Florida.
H.R. 2627: Mr. MANZULLO, Mr. ARCHER, Mr. BRADY, Mrs. KELLY, and Mr. COOK.
H.R. 2664: Mr. PETERSON of Pennsylvania.
H.R. 2675: Ms. DELAURO.
H.R. 2676: Mr. KASICH, Mr. CANADAY of Florida, Mr. SOLOMON, and Mr. ADERHOLT.
H.R. 2713: Mr. FROST and Ms. LOFGREN.
H.R. 2748: Ms. SLAUGHTER.
H.R. 2749: Mr. DELAHUNT.
H.R. 2760: Mr. PETERSON of Pennsylvania, Mr. NEY, and Mrs. CHENOWETH.
H.R. 2761: Mr. LEWIS of Georgia and Mr. GUTIERREZ.
H.R. 2773: Mr. COSTELLO, Mr. CRANE, Mr. DAVIS of Illinois, Mr. EVANS, Mr. EWING, Mr. FAWELL, Mr. GUTIERREZ, Mr. HASTERT, Mr. HYDE, Mr. JACKSON, Mr. LAHOOD, Mr. LIPINSKI, Mr. MANZULLO, Mr. PORTER, Mr. POSHARD, Mr. RUSH, Mr. SHIMKUS, Mr. WELLER, and Mr. YATES.
H. Con. Res. 107: Mr. ADAM SMITH of Washington.
H. Con. Res. 158: Mr. PAUL.
H. Con. Res. 179: Mr. PORTER and Ms. SLAUGHTER.
H. Res. 37: Mr. CUMMINGS, Mr. COYNE, Mr. JEFFERSON, Mr. MANTON, Mr. POSHARD, Mr. REYES, and Mr. ADAM SMITH of Washington.
H. Res. 267: Mr. KNOLLENBERG and Mr. JOHN.
H. Res. 268: Mr. BACHUS, Mr. LIVINGSTON, and Mr. MILLER of Florida.
H. Res. 279: Ms. MILLENDER-MCDONALD, Ms. CARSON, and Ms. LOFGREN.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 1 by Mr. YATES on House Resolution 141: Tom Campbell.

Petition 2 by Mr. PETERSON of Minnesota on H.R. 1984: John S. Tanner, Joel Hefley, Michael F. Doyle, George P. Radanovich, James V. Hansen, James A. Barcia, Tim Roemer, W.J. (Billy) Tauzin, Ralph M. Hall, Jim Bunning, Richard H. BAker, and Mac Collins.

Petition 3 by Mr. BAESLER on H.R. 1366: Tom Campbell, Constance A. Morella, Peter Deutsch, Carolyn McCarthy, Nancy L. Johnson, Charles B. Rangel, Edolphus Towns, Matthew G. Martinez, Martin Olav Sabo, James A. Leach, Donald M. Payne, John Conyers, Jr., Tony P. Hall, Jerry F. Costello, Louis Stokes, Norman D. Dicks, Michael F. Doyle, Frank Mascara, and Martin Frost.

SENATE—*Friday, October 31, 1997*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious, loving Father, You have taught us to give thanks for all things, to dread nothing but the loss of closeness with You, and to cast all our cares on You. Set us free from timidity when it comes to living the absolutes of Your commandments and speaking with the authority of Your truth. All around us we see evidence of moral confusion. People talk a great deal about values, but many have lost their grip on Your standards.

Help us to be people who live honestly with integrity and trustworthiness. We want to be authentic people rather than studied caricatures of character. Free us from capricious dissimulations, from covered duality, from covert duplicity. Instead of manipulating others with power games, help us motivate them with love. Grant us the passion that comes from committing our lives to You, the idealism that comes from understanding Your guidance, and the inspiration that comes from relying on Your spirit as our only source of strength.

May this be a day for glorifying You through all that we do. Through our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, the Senator from Georgia, is recognized.

SCHEDULE

Mr. COVERDELL. Mr. President, this morning the Senate will proceed to consideration of H.R. 2646, the A-plus education bill, with the time until 10:30 a.m. being equally divided between Senator COVERDELL and Senator DASCHLE or his designee. Following the debate time, the Senate will conduct a cloture vote on the A-plus education bill. Therefore, Members can anticipate the first rollcall vote today at approximately 10:30 a.m. If cloture is not invoked, the Senate will proceed to a cloture vote on a motion to proceed to the Defense Authorization Act conference report. Members can anticipate additional procedural votes on that measure.

In addition, the Senate may consider the District of Columbia appropriations bill, the Amtrak strike resolution, or any additional legislative or executive items that can be cleared.

As a reminder to all Members, the first rollcall vote this morning will occur at 10:30 a.m.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. KYL). Under the previous order, the leadership time is reserved.

EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 2646, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The time until 10:30 a.m. will be divided between the Senator from Georgia [Mr. COVERDELL] and the minority leader, or his designee.

The Senator from Georgia.

Mr. COVERDELL. Mr. President, I rise on behalf of H.R. 2646, the A-plus education bill. What has become known as the A-plus account, or education savings account, is a unique instrument that is being designed to help American families across the land to deal with education deficiencies, particularly in grades K–12, kindergarten through high school, although the account may be kept intact and used for higher education if that is the desire of the family.

Simply put, a family could save up to $2,500 every year from the child's birth in a savings account much like an IRA that most Americans have come to understand, a similar instrument. These are after-tax dollars. The interest that would build up each succeeding year would not be taxed if the proceeds of the account are used for virtually any educational purpose. So it becomes a tool that empowers parents to deal with particular or peculiar deficiencies of the child.

As a result, my own view is that the value of these dollars could be as much as three to five times a typical public dollar being spent because the dollar is being directed at the unique deficiency.

Let's say, for example, the child had a learning disability, or dyslexia, that required special attention. The dollars could be put right on that problem. Or perhaps the child had a math deficiency and it required a tutor, or there was a transportation problem to deal with an after-school program, or a learning disability of some form. All of these particular problems, broad dollars cannot necessarily address, but these savings accounts can. They can go right to the deficiency.

A unique feature of the savings account is that the account can receive contributions from sponsors. When you do that, the imagination begins to work at the different kinds of things that could happen to help build this account up for this child. A corporation, an employer, could be a contributor to these accounts. You can envision matching circumstances, where an employer would say I'll put so much in your children's account if you'll match it. You can imagine a church becoming involved in these types of accounts. I can see a community—recently in Atlanta we lost a law enforcement officer, and people are often trying to find a way to help the remaining family. I can see communities stepping forward in this case and establishing an account for the surviving children. So community, employers, extended family, brothers, uncles, neighbors, grandparents—all of these individuals could become sponsors of these children's accounts.

As a result, a large infusion of enrichment will occur to education in America, one of the largest in 10 years—billions of dollars. The Joint Committee on Taxation has advised us that 14 million families will make use of these accounts—14 million families. A quick estimation there shows you somewhere around 20 million-plus children, approaching half of children in America's schools, will be beneficiaries to some degree of these accounts.

It baffles me that some in the professional system, the National Education Association, oppose this. They want to believe and others to think that—I think the line is that it only will help wealthy people and that it will only support religious schools. Both assertions are utterly false.

I have been stunned by an organization of this character being so misleading about a matter of public policy. You would think that an organization associated with schooling and role modeling for young people could do a little better job of being candid and straightforward about their opposition. It has had some effect, because many people think the savings account is the equivalent of a voucher. A voucher—

which I support; they don't—but a voucher is the redistribution of public money. In other words, the money raised from the public for taxes, property taxes or the like, is given to the family and they can move it to any point they would like. That is a voucher. This is a savings account. This is not public money. This is private after-tax money. And we are not taxing the buildup.

Under their definition of public money, I guess the capital gains tax reduction would be a voucher because we have left money in someone's checking account and they can use it some way they choose. But, in any event, the allegation is that it is for the wealthy and that it supports religious schools.

Here are the facts. According to the Joint Committee on Taxation, of the 14 million families that will use these accounts, 10.8 million of them will be in families whose children are in public schools; 70 percent of the funds generated, this enrichment, this additional effort and energy coming behind our school system, private and voluntary, will go to support public schools—70 percent—and 30 percent to private schools.

According to the Joint Committee on Taxation, 70 percent of all these funds will go to support children and families earning $75,000 or less. It is means tested. It is not for the wealthy. It has sponsors, so that we can help those who have a tough time organizing the accounts, and the principal beneficiary will be the public school system of America and the families in it.

Mr. President, I yield at this time.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, let me first congratulate my friend and colleague on the thoughtfulness of his remarks and the cogency of his arguments. If I will now speak in opposition, it is first and foremost a procedural opposition and jurisdictional one, having to do with bills sent from the House of Representatives and held at the desk and not referred to the Committee on Finance.

Mr. COVERDELL. I appreciate that.

Mr. MOYNIHAN. And also having to do with the session of the year.

Mr. COVERDELL. I appreciate the general remarks.

Mr. MOYNIHAN. Mr. President, in an op-ed article in the New York Times on Tuesday, Richard Leone, who is the president of the 20th Century Fund, an eminent New York City institution, remarked, "Last week, the House of Representatives took time out from beating up on the Internal Revenue Service to approve a fresh tax loophole."

I have had occasion to comment that on July 31, when we voted 92 to 8 to approve an 820-page addition to the Internal Revenue Code, the only copy of the bill in this Chamber was in the possession of our most distinguished tax counsel, Mr. Giordano.

Somewhat furtively, Members would come up and ask if they could just check whether their provision was in the bill. We might have charged for that service. We did not, in the public spirit of the occasion. But it was no way to legislate taxation.

In that spirit, I simply want to say that neither, at this time and in this manner, ought we to be approving a new provision providing for expansion of IRA's that would cost us $4 billion over 10 years. That is in addition to the $38 billion in new IRA's which we passed on July 31. There was an education IRA, and I am happy to say a Roth IRA. Our distinguished chairman is to have the satisfaction, I hope it is, of seeing in bank windows around the country, "Roth IRA available for purchase," which people will be wise to do.

The tax legislation for this session of the 105th Congress is concluded. We will resume next year. I hope we don't resume with too much energy. It is a fact that we impose upon the Internal Revenue Service, and upon the citizenry much more than the Internal Revenue Service, incredibly complex measures which defy assessment in so many cases. And we do it while calling for the repeal of the Internal Revenue Code and the abolition of the IRS. Well, I can understand the calls that issue from the House of Representatives to abolish the IRS, because increasingly its task is impossible. But on the other hand, there is something called the Nation and it does require revenues. Even if they are reduced to that elemental proposition of delivering the mail and defending the coasts, that does require revenues. The choices are for us many and we shouldn't complexify them to the point of plain bafflement.

The President has said he will veto this bill. Our President, in a letter to our distinguished majority leader of July 29, thanked the majority leader and, by reference, the others of us in conference on the Tax Relief Act of 1997, for the bipartisan way in which we were putting that legislation together, but he did say he would strongly oppose the measure of the Senator from Georgia. So, accordingly, that was taken out in conference in order for the whole bill to be approved.

I ask unanimous consent that the President's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, July 29, 1997.

Hon. TRENT LOTT,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR MR. LEADER: I want to again thank you for working in a productive, bipartisan manner to develop this bipartisan budget agreement. I feel particularly good about the strong education package that is included in the tax bill. As you know, in working out the final agreement, I strongly opposed the Coverdell amendment. I would veto any tax package that would undermine public education by providing tax benefits for private and parochial school expenses.

Sincerely,

BILL CLINTON.

Mr. MOYNIHAN. I thank the Chair.

One further point. After a very great deal of effort and not inconsiderable amount of pain, we have brought the Federal budget into balance. I stood here in 1993, or rather my good friend, now Ambassador to China, Mr. Sasser, as chairman of the Budget Committee, stood here and I stood there as chairman of the Finance Committee, and in a very close and dramatic moment, we got the required 51 votes to enact what I have since acknowledged to be the largest tax increase in history. But it broke the back of the expectation that we could never handle our finances, that interest rates had to be high, the inflation premium attendant on the probability that we would end up monetizing the debt because we couldn't pay for it. Monetizing is a term by which you inflate the currency and lower the cost of the debt.

We did it, and the deficit has gone down. We have this most extraordinary, unprecedented, somewhat difficult-to-comprehend situation of full employment, low inflation, low interest rates, high productivity. Fuller employment than we ever thought was compatible with the interest situation. We are in a new economic setting, and by March, I would think, the continued revenues to the Treasury would be such that the deficit will have disappeared.

We have talked about the deficit, not always in the calmest tones, for a decade now. We finally balanced the budget, and what do we suddenly see? More and more proposals for cutting taxes through one form or another, losing revenue so we will get the deficit back again.

Mr. President, the time is at hand, if I may say, to use the deficit to reduce the debt. We now spend almost as much money on interest payments as we do on defense. That is not a proportionate set of values of interests, of priorities. We ought to start reducing the debt. For every dollar of public debt that we reduce, we get $1 of private savings, private investment, which, in turn, will produce revenue, and on one hand, it will reduce costs of interest payments, and on the other hand, it will increase revenue. We are short of savings. I know the concern of the Senator from Georgia is savings, but at this moment, I would like to say we will take this up next year. This has not been referred to the Finance Committee. It is a House measure held at the desk in the last hours of the first session of the 105th Congress. I hope that we will put it off until next year when it will receive a goodly consideration. I can't say I

know this to be Chairman ROTH's intention, but I cannot doubt it is his intention, such as it is his manner in all these issues.

But to say again, the measure before us would spend $4 billion over 10 years to increase the contribution limit for education IRA's from $500 to $2,500 per year, provide for tax-free build-up of the earnings in such accounts, and tax-free withdrawals for an array of expenses relating to elementary and secondary education. The bill comes to this floor directly from the House; it has not been considered by the Finance Committee.

With great respect to the sponsor of the bill, the distinguished Senator from Georgia, I do not believe the Senate should take up this legislation at this time. It was just 3 months ago that we passed the Taxpayer Relief Act of 1997, which included a net tax cut of $95 billion over 5 years and $275 billion over 10 years. At a cost of $38 billion over 10 years, that act created the education IRA and the Roth IRA, and significantly expanded existing IRA's and the tax benefits of State-sponsored prepaid college tuition plans. And now, we are asked to expand those recent IRA changes even further.

As well intentioned as this legislation is, surely there are many other priorities that should take precedence if we are serious about doing something for education. Priorities that have been thoroughly considered in the Finance Committee and by the full Senate. One such priority is the income exclusion for employer-provided educational assistance, which is Section 127 of the Internal Revenue Code. It is probably the single-most successful tax incentive for education we have. In the tax bill that emerged from the Finance Committee in June, we made section 127 permanent and we applied it to graduate school. Unfortunately, when the tax bill came back from conference, this provision was limited to a 3-year extension only for undergraduates.

Proponents of the pending legislation speak of a crisis in our elementary and secondary schools. There is no more compelling illustration of this than the state of the infrastructure of these schools. During the debate last summer on the tax and spending legislation, Senators CAROL MOSELEY-BRAUN and BOB GRAHAM brought the issue of crumbling schools to our attention, and they continue to be eager to address it. If we feel we must spend $4 billion, why not spend it to insure that schools have heat this winter?

There are also tax policy concerns with this bill. First, complexity. Even as we hear ever louder calls to scrap the code, we have before us a bill that would create a maze of rules in attempting to define what constitutes a "qualified elementary and secondary education expense." The bill states that qualified elementary and secondary school expenses include expenses for tuition, computers, and transportation required for enrollment or attendance at a K–12 institution, and for home schooling. There is no further definition. For example, would it be possible to withdraw money from these accounts to purchase the family car? I don't know, but you can't find the answer in the text of this bill.

Under the bill, the ability to contribute funds for elementary and secondary education expenses is proposed to sunset after 2002. However, money contributed through 2002 could still be used for such expenses. It will be up to the taxpayer to track—and the IRS to examine—when funds were contributed, and whether they can be used for only elementary and secondary education, only higher education, or both.

The administration estimates that 70 percent of the benefits of the bill go to the top 20 percent of income earners, taxpayers with annual incomes above $93,000. Tax benefits to taxpayers below that level are estimated to be nominal. If the proponents are truly concerned about the middle class, the tax benefits should be targeted there. In order to accomplish this, the income limits that apply to this bill would have to be lowered, and the ability to circumvent those limits would have to be prevented.

Mr. President, I appreciate the good will of the sponsors of this legislation, which we will be happy to consider in the Finance Committee in the next session. But please let us not take up a tax bill, of all things, in the final days of this session. This is no time for this tax bill or any other tax bill. But if our friends in the majority insist on going forward, I believe they will find that Senators on this side—and doubtless on their side, too—will be ready with amendments by the dozens.

I thank the Chair and yield the floor.

I thank the Chair for his courtesy, and I thank my friend.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I thank the Senator for his generous remarks addressed toward me at the initial opening of his statement. I appreciate that very much.

I now yield up to 4 minutes to my good colleague from Connecticut. I want to just say that he, Senator LIEBERMAN, has been at the forefront of education reform for more years than I. He is very dedicated to these proposals, and his support of this measure has been personally and publicly appreciated.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair and thank my friend and colleague from Georgia for his very kind comments. May I say, with his leadership on this issue, he has come right to the forefront of the national movement for education reform.

Let me say first, briefly, how grateful I am, and I know the Senate across party lines, for the bipartisan leadership for the agreement that was achieved yesterday on scheduling the consideration by the Senate of campaign finance reform, which is important in its own right because of the significance of that effort, but also important because it frees us now to approach on the merits issues such as this.

I am proud to be a cosponsor of this Education Savings Act for Public and Private Schools. It is a bipartisan cosponsorship, as will be clear from those who speak on behalf of it.

Mr. President, it seems to me that of all the challenges that we have before us as we try to make this great country of ours even greater and spread the opportunities beyond those who have them best now, the most important place we can invest is in education, the education of our children.

As we look at the education system in our country, I think we can say with some pride that the system of higher education is really doing quite well, but that it is the elementary and secondary schools, in making sure that our children get a good start on the road to education and self-sufficiency, that really need help.

There are a lot of good things happening in our public and private and faith-based schools, but too many of our kids are still being educated in schools that are either in terrible shape physically, schools in which their personal security is threatened by crime in the schools, or schools in which there is not adequate teaching and innovation going on.

This measure is a classic attempt to create a partnership between the Government and families and businesses to help people better educate their children at the elementary and secondary level. It is a tax incentive, a small one. It is like dropping that pebble into the lake, and it is going to create ripples out for individual children and for our society that I think will be dramatic.

I want to make just a few points.

This recommendation of these educational savings accounts builds exactly on the higher education savings accounts that we adopted just a few months ago with broad bipartisan support. In that case, you could put $500 in. The income would be tax free, particularly if you took it out for years in higher education. It had income limits in it for means testing, if you will.

This proposal of ours takes that idea and simply extends it to K–12 education, with one big change—two, I suppose. One is that you can put in not just $500 but $2,500 in and others can invest in those accounts—grandparents,

uncles, aunts, businesses. I wouldn't be surprised, if this is adopted, that labor unions will begin to negotiate with their employers to put matching contributions into the savings accounts for their kids.

The point I want to make is this. A lot of anxiety and opposition has been expressed about this proposal. It is the same proposal that most of us voted for enthusiastically just a few months ago for higher education. So why is it so frightening now and it was so much accepted before? Why was it middle-class tax relief then and it is now some sort of giveaway to wealthy people?

I think if you focus on the merits of this, understand what independent analysis has told us that 70 percent of those who will benefit from this will be sending their kids to public school, that it can be used not just for tuition payments but for a broad array of support services—transportation, home schooling, purchasing a computer, et cetera.

This is the kind of program that dreams are made of, that dreams are realized from. Parents who are working hard trying to find a better way for their children will be able to put a little money in these accounts or have some relatives put some money in, or convince the employer to put some money in and make it easier for them to take their children and put them in the schools where they want them, public or private or faith-based, or give the kids the support they need to get the better education.

I think this is a good proposal whose time has come, and I am proud to be a cosponsor. I thank Senator COVERDELL for his leadership on this, and I yield the floor.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Georgia.

Mr. COVERDELL. Mr. President, I appreciate very much the remarks of the Senator from Connecticut. He has made excellent points. This has already been passed by 59 votes in the Senate. It has been passed by the House. It is an extension of a proposal that both bodies overwhelmingly passed. I am fearful that we are in the midst of a filibuster attempt by special interests to block it, but we are going to stay at it, filibuster or not.

I now yield up to 4 minutes to the distinguished Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for up to 4 minutes.

Mr. ALLARD. Thank you, Mr. President.

I thank the Senator from Georgia for yielding. And I compliment him on his leadership, particularly on educational issues.

Today, I am here to encourage my colleagues to support legislation which will open doors of educational opportunities to the parents and children throughout our Nation. Education savings accounts are a sensible step toward solving our education crisis in America by allowing families to use their own money—to use their own money—to pay for their child's education needs.

This bill would empower parents with financial tools to provide all the needs they recognize in their children, needs that teachers or administrators cannot be trusted to address in the same way that a parent can.

These accounts would provide families the ability to save for extra fees that they might incur, have to deal with, when they are sending their children to public schools, fees that may be necessary to pay for computers or maybe they want to go down and buy their own computer to help with their child's education, maybe some tutoring needs within the family, maybe they need to prepare for the SAT.

Transportation costs could also be an educational need, particularly in rural areas, or maybe special circumstances that would allow a family to consider some private alternatives as opposed to public education.

Handicapped children, for example, I think could really benefit from this because they do have special needs. This encourages the family of the handicapped to meet those special needs and to pay the costs that they may incur and still send them to a public school.

This kind of tax relief is especially important for parents who are working two jobs with no extra time to help with homework or those who do not feel adequate in their own knowledge to tutor their children.

As parents, I know that my wife and I were the best judges of our children's needs, and I am proud of the way they have developed. As all parents realize, I knew that I was in the best position to address their needs. I would have welcomed an opportunity to accrue tax-free interest to help pay for more opportunities in the education of my children. Far too many parents find that their hopes to provide the best education for their children are crushed as they realize the costs involved in accomplishing this task.

Contrary to popular myth, 75 percent of the children who would benefit from this bill are public school students. The new estimates released by the Joint Tax Committee disprove the claim that public school revenues would be reduced by what is referred to as the A-plus accounts.

The Joint Tax Committee estimates that by the year 2000, 14 million students would be able to benefit from this bill with 90 percent of those families earning between $15,000 and $100,000 a year.

Mr. President, this is an important piece of legislation. It empowers families, and it empowers them to control the education of their family and meet their special needs. So I am absolutely thrilled with the leadership that the Senator from Georgia is showing in this regard. If my time is running out, I yield the remainder of my time back to the Senator from Georgia.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROTH. Mr. President, the respected historian and biographer, David McCullough, recently reminded us of the importance of education. Quoting John Adams, Professor McCullough wrote: "Laws for the . . . education of youth are so extremely wise and useful that to a humane and generous mind no expense for this purpose would be thought extravagant."

Today we consider a law that will go a long way toward helping parents provide educational opportunities for their children—a law that will benefit students, whether they attend public schools or private.

This bill, which is sponsored by our distinguished colleague Senator COVERDELL, and which has broad bipartisan support, expands the education savings IRA. It allows families to save up to $2,500 a year, and to use this money to pay for educational expenses for their children attending school, from kindergarten to 12th grade.

This, as John Adams would say, is a wise bill. It is one that will go a long way toward helping our families meet the rising costs associated with schooling. It will go a long way toward helping our children receive quality educations. And it will pay dividends to America, itself, as these children—better educated and more prepared—become the parents, educators, scientists, businessmen, and businesswomen of tomorrow.

Not too long ago, the Finance Committee held hearings to look into the rising costs associated with education, and the pressure those costs place on parents and families. What we found was rather alarming. Today, parents are under an enormous burden when it comes to paying for education. And the costs continue to rise.

We designed the Taxpayer Relief Act of 1997 to help parents and students offset some of these costs. For example:

We created an education savings IRA to allow parents to save for higher education.

We expanded the tax-deferred treatment of State-sponsored prepaid tuition plans.

We restored the tax deduction on student loan interest.

And, we extended the tax-free treatment of employer-provided educational assistance.

Each of these measures will go a long way toward helping our students and their families handle the burden associated with education. Personally, I would have liked to see stronger measures in each of these areas. The Senate version of the Taxpayer Relief Act actually contained stronger provisions,

and I introduced them as a separate bill the very day that we passed the Taxpayer Relief Act.

The legislation we're considering today—which Senator COVERDELL has introduced in the Senate—is in keeping with the spirit and emphasis of our efforts. It expands the education savings IRA that we passed in the Taxpayer Relief Act of 1997. It allows the IRA to be used to help families finance school-related needs for their children beginning in their kindergarten years and covers them all the way through high school. It raises the yearly contribution amount from $500 to $2,500.

It allows savings from the IRA to be used for both public and private schools. For example, money could be withdrawn to pay for tuition, fees and books for children attending private school. It could also be withdrawn to pay for computers, uniforms, instruments, books, supplies, and other educational needs for children in public schools. In addition, Mr. President, this expanded IRA can be used for children with special needs throughout their lives.

This legislation does not engender a public versus private debate. It is fair and good for families and children who elect either form of education. It is focused on middle-income families—those who are most pinched by the rising costs of education. It provides these families with the tools they need to have the freedom to select whichever form of education they feel is best for their children.

According to estimates by the Joint Committee on Taxation, the vast majority of withdrawn funds from these expanded IRAs will go for public school children. Over 10 million families with children in public schools will use these educational savings accounts, as opposed to a little over 2 million families with children in private schools. The expanded education savings IRA's are completely paid for, as revenue loss will be fully offset by repealing an abusive vacation and severance pay accrual technique.

Again, Mr. President, this legislation has strong bipartisan support. It is good for families, good for children, and good for the future of America. It builds on the foundation we set with the Taxpayer Relief Act of 1997. It provides flexibility as well as opportunity, and it is a necessary step toward providing parents with the tools and resources they need to help their children prepare for the future.

Mr. D'AMATO. Mr. President, I rise in support of the A plus Education Savings Accounts Act which will provide families—an estimated 14.3 million families by 2002—with the opportunity to save for their children's education, an investment by parents for their children's future.

Education savings accounts allow parents, grandparents and scholarship sponsors to contribute up to $2,500 a year per child for an account that will be used for a child's education. The interest accrued will be tax-free as long as the funds are used to further the best possible education for their children.

The funds saved by parents must be used for educational purposes—and can include expenses for home computers, tutoring for children with special needs or tuition for a private school. The money will be used in the most efficient manner because it will be the parents who make the decision on how to use the money.

These education savings accounts leave public resources in public schools and let parents use their own money to augment education for their most precious investment—their children.

This is a common sense approach—an education reform that gives control back to parents, improving education for their children.

We must encourage parental involvement in their child's education, and this is an excellent way to allow that involvement, making the education system more responsive to parents.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Mr. President, as a member of the Senate Finance Committee, I join Senator MOYNIHAN in his objection to this legislation on procedural grounds. As a member of that committee, I can attest to the fact that we have had no hearings at all on this legislation. The issue has not come up in committee. In fact, as far as I know, there is no precedence for bringing a House-passed tax bill to the Senate floor without any committee consideration whatsoever, without a single hearing or markup, and then immediately subjecting that matter to a vote to close off debate.

That is what this is about. If cloture is invoked, it would limit the ability of Senators, those on the Finance Committee and everybody else, for that matter, to offer amendments. Members of the Finance Committee, Members of this body have not had an opportunity to offer amendments, have not had an opportunity to debate this matter, and this vote effectively will shut off that debate.

I have filed two amendments to this tax bill, both relating to the issue of school repair and construction. Our buildings, as many parents know, are literally falling down around our children. They certainly cannot learn in those kinds of environments.

I know of other amendments that have been filed relating to a variety of issues touching on this legislation—all amendments relevant to the consideration of this tax bill—but, again, those Senators who have offered those amendments will not have the opportunity to offer their amendments if cloture is invoked.

Mr. President, I think those reasons should be enough for every Member of this body to vote against cloture, because, if nothing else, this is supposed to be a deliberative body, and we are supposed to have the opportunity to talk about ideas, to really fully explore them, to talk about them in a public way so that the people who listen to these debates have a chance to know what it is that we are voting on. But this bill has not had that. In fact, what it sets up is another set of tax expenditures without any consideration of the implications or the impacts of that expenditure.

To use the term "tax expenditure"—for the average citizen, the words "tax expenditure" do not have a lot of resonance, do not have a lot of meaning.

I want you to think about, for a moment, spending from two perspectives: Spending out of the front door and spending out of the back door.

Front-door spending includes appropriations, and everybody can relate to those. You see it on a bill. Bills that we pass, they say: We are going to spend this much for that purpose or this much for that purpose. The appropriations spending, front-door spending, is obvious. It is apparent. The public can understand it. It is simple. Everybody knows what the deal is, whether it is spending for a bridge or somebody's boondoggle. Appropriations for front-door spending is apparent and obvious spending.

This plan we are considering today goes in the other direction, of the non-obvious spending for what is called tax expenditures. We can debate tax expenditures for a while, but the point is, I call it backdoor spending because essentially what it is is it is spending that takes place when you carve out an exception for somebody who otherwise was paying taxes, where you say everybody has to pay taxes, but as to this little group here, taxes will not have to be paid. So that then means that everybody else who is left has to make up that little hole that is created. That is what we mean by loopholes. That is what we mean by tax expenditures. And this is such a tax expenditure. This is not only a tax expenditure, it is $4 billion tax expenditure.

I would have thought at a minimum we would have had a chance to have this up in committee and have had to have witnesses testify on it and to have at least amendments on this floor. None of that has been made available with regard to this bill.

There are times, Mr. President, when tax expenditures really do make sense, where we take the position that it makes more sense to say, as to this universe of people, this little group should not have to pay taxes, this loophole serves a legitimate function and it is an efficient way to do or to effect

whatever policy it is that we are trying to achieve. There are some times when it is efficient.

So for a moment, for purposes of this debate, let us take a look at the efficiency of this tax expenditure, whether or not the taxpayers who are going to have to make up this $4 billion difference, whether or not they will get the bang for their buck, whether or not it makes sense for us to spend money through the back door in this way.

The truth is that this plan will benefit only the wealthy. According to the Treasury Department, which has analyzed this proposed tax scheme and calculated what are called its distributional effects—that is to say, who gets the benefit of the tax benefit; what kind of bang for the buck do you get for this spending out of the back door?—70 percent of the benefits in this proposal would go to the top 20 percent of the income scale, that is to say, families with annual incomes of at least $93,222 would get the majority of the benefits in this bill. Fully 84 percent of the benefits would go to families making more than $75,000 a year.

The poorest families in this country, those in the bottom 20 percent of the income scale, would receive 0.4 percent of the benefits of this spending out of the back door.

Let me say that again: 0.4 percent, less than one-half of 1 percent, of the benefits go to the 20 percent of the population of this country who have the least money.

These bars on this chart here really set this out. These are not my numbers. These are Department of the Treasury's numbers. Quite frankly, we would have had a chance to debate this had the bill come up through committee in the normal and ordinary course of things. But since we did not get that chance, we just were kind of surprised with having to vote for cloture on this bill today. We have not really had a chance to thrash through these numbers.

But anyway, the Department of the Treasury tells us that in this legislation, the lowest 20 percent, as you can see, get the lowest amount out of this legislation. The highest income people get the highest amount. Families in the highest income quintile would reap $96 a year in benefits from this bill, that is to say, families with incomes over $93,000 a year. They would see $96 of benefits in an average year.

Those in the fourth quintile—those earning more than $55,000 a year—would see only $32 in benefits in a given year.

Families in the third income quintile—those earning at least $33,000—would get only $7 per year. So $7 for the middle-class families earning between $33,000 and $55,000 a year—$7.

Families in the first and second income quintiles—those earning less than $33,000—would get virtually nothing from this plan. And you can see that on the chart.

So really what you wind up with is a tax expenditure that creates a loophole, backdoor spending that will benefit rich people.

All of my colleagues who have had doubts about—and we have debated in other contexts the voucher plans, and this and that and the other, and how to approach education finance in these times. We need to have that debate because there is no question but that we have great challenges before us in terms of the reform of schools and providing reform of the schools so that this generation of children will have an opportunity at least as great as the last generation gave all of us in this Chamber.

At the core, this debate is about what kind of educational system are we going to have. I was a product of the Chicago public schools. I am proud to say that, because the public schools in Chicago gave me a quality education in a time when my parents certainly could not afford to send us to private schools. They did, from time to time, choose the private and the parochial schools in the area. And I went to Catholic school myself on a couple of occasions.

But the fact is that the public schools in my neighborhood were good public schools. So it was a legitimate set of choices. We had good public schools, good Catholic schools, good private schools. We could choose between good and good and good. So it was just a matter of the nuances of the educational opportunity that our parents wanted to give us that made the difference in their decisionmaking.

As we have gotten to this time, we are really challenged by the fact that there is not the kind of equal choice among and between educational opportunities for these young people. Very often—all too often—the public schools are troubled. Everybody who has given up on trying to fix public education, fix the public schools, says, "OK. Fine. To heck with them. Let's go create something else. Let's go support something else. Let's go voucher out over here. Let's send our kids to the Catholic schools. And let's go to the private schools," or whatever.

They will come up with alternatives as opposed to confronting and facing what do we do about providing quality public education to every child that will allow every child the same opportunity, will allow every child a chance to climb up the ladder of opportunity. Because, after all, Mr. President, as I think everybody is aware, the rungs on the ladder of opportunity in this country are crafted in the classroom. The kind of education that a child gets not only is important to that child as an individual, but to our community as a whole.

It just seems to me that we cannot afford to lose a single child. We cannot afford to triage our educational system, cutting off the schools that have to deal with the problem cases, that have to deal with the poorest students, and letting everybody else go out and take advantage of tax loopholes to provide themselves education in another venue altogether.

Mr. President, the distributional effects of this tax expenditure really are easily explainable. Again, had we had a chance to talk about this in committee, we would have had that kind of debate. But to talk about why this works out this way, if you think about it, low- and moderate-income families, people that make $33,000 a year are having a hard enough time putting food on the table for their families as opposed to being able to just salt away and save an additional $2,500 a year, which is at the core of this proposal.

It should be apparent—maybe it isn't—the contradiction in this proposal. It calls itself "an education individual retirement account." The fact of the matter is, retirement accounts are supposed to be for people in their sunset years, money put away for retirement when they can no longer work. If you say we are going to use that vehicle to let people use money for a lot of other things, then you are, by definition, defeating the notion that people will be able to save, put secure money away, and let it build up so they can retire on it.

This says, OK, we will use the vehicle for the retirement account model to let people save for private education. Assuming for a moment that made sense, again, what do you do when you have a situation where the people who need it the most get it the least? What do you do when people who are making $33,000 a year who can't salt away $2,500 a year for this, who can't build up the interest in the accounts? That is an important part of this—who can't build up the interest in these accounts. What happens to them in this situation? They wind up being left out in the cold.

If we are thinking about the bang for the buck for tax expenditures, this backdoor set of expenditures, it seems to me, it is the taxpayers who are going to be called on to help make up the difference with the loophole we have created, and they will get the least from it.

Mr. President, there is another whole set of issues in this bill that, again, had we been able to talk about it in committee we could have gone further in understanding the meaning of the actual language of the legislation. The bill defines "qualified elementary and secondary education expenses" as "tuition, fees, tutoring, special needs services, books, supplies, computer equipment . . . and other equipment, transportation, and supplementary expenses required for the enrollment or attendance of the designated beneficiary of the trust at a public, private or religious school."

In addition, the bill provides a "Special rule for home schooling" so any of the above expenses qualify if the child is home schooled.

I just read it off, and I have the words in front of me, what does any of this mean? What does "required transportation expenses for home schooled child" mean? If you are staying at home, do you still get a transportation deduction? Does that mean a new car for mom and dad? What does that mean? We don't have enough information to make decisions about the $4 billion expenditure without having debate in this committee.

Now, given the broad nature of the language of the bill, the possibilities for abuse are almost limitless, except for one caveat: The ability to use these provisions and reap the benefits of this broad statute would be restricted, again, almost exclusively to the wealthiest Americans.

Now, it is OK to say we want to give rich people tax cuts. If that is the argument, that is fine. But it seems to me it is not altogether appropriate to dress it up and say that we are doing this for the poor children of America when, in fact, this is a tax subsidy for wealthy people. And they just got a tax cut. It would be different if they had not just gotten a tax cut.

An argument in the Finance Committee with the last bill—which I supported, the tax bill—was that we were cutting taxes at that time in ways that would benefit the wealthiest Americans. There are some people in the committee that didn't have a problem with that, who said the wealthiest Americans pay the most in taxes, they should get the most back. If that is the argument, that is fine. But it seems to me somebody ought to say that. The people ought to say that instead of wrapping it up in "education reform terms" when, in fact, the goal of educational reform, of saving our school system, will not be achieved.

I have other specific concerns with this legislation.

The bill attempts to limit the availability of these educational savings accounts to single-filers with annual incomes below $95,000, and joint-filers with annual incomes below $160,000. During the Ways and Means markup, however, the question was asked whether a wealthy taxpayer could avoid this limitation by making a gift to the taxpayer's child, who would then make the contribution to the education savings account. According to the staff of the Joint Committee on Taxation, the bill would permit such a shell game, as long as the child earned less than $95,000. They described the income limitations on the education savings accounts as "porous."

Mr. President, in addition to benefitting only the wealthy and being written in such as way as to be virtually unadministrable, there is yet another problem with this bill which leads me to believe we are considering this bill mostly for symbolic reasons. In order to meet the revenue figures required by the offset that has been chosen, the bill only allows contributions to be made to the new education IRA's for elementary and secondary education for the next 5 years.

Mr. President, the purpose of IRA's is to encourage long-term savings. The proposal before us today makes a mockery of this concept, by allowing contributions for only a 5-year period. In so doing, it also creates a situation where everyone who puts money into these accounts will need to hire accountants to figure out what they are allowed to do and how much they are allowed to various education and education-related activities.

The bill allows contributions of up to $2,500 for the first 5 years. These contributions, and the interest earned on these contributions, could then be withdrawn at any time to meet certain education expenses from kindergarten through college. After the first 5 years, however, the bill limits contributions to $500. These contributions, and the interest earned on these contributions, could then be withdrawn only to meet certain higher education expenses. Over a long period of time, the bill thus creates a situation where some amount of the interest that has accumulated in the accounts could be withdrawn for one purpose, while other interest that has accumulated concurrently could only be withdrawn for another purpose. To say that these accounts would be difficult to manage is an understatement.

Let me say this in closing, I encourage my colleagues to redirect this retreat from quality public education in this country. There is no question but that we have to reform the public school system. There is no question but that the Federal Government certainly needs to do more in terms of supporting elementary and secondary education. We are right now paying less than 6 percent of the cost of the public schools in this country, which is not fair. It is not fair to property taxpayers. It is not fair to local taxpayers. In the main, education funding comes out of the local property taxes all over this country. If you ask anybody what is the tax they hate the most, it is their local property taxes.

We are, for all intents and purposes, tying the ability to fund the schools to people who have fixed incomes and who really don't have the ability to pay more in property taxes. That is one of the reasons why the schools are troubled, frankly, in so many areas of this country. Those communities that have the least property taxes, that have the least ability to expand in that regard, have the most troubled schools. Why? Because you have tied education to fixed incomes or to declining tax bases.

We have a General Accounting Office study, in fact, that shows that the poorest areas in the country make the most tax effort to try to pay for their schools. It seems to me, Mr. President, that with all these issues to take up and with all of the challenges to reform public education so that every child in America can access a quality education, we ought to do that in the context of having open debate, not trying to shut off debate on something that, again, effectively only helps the wealthiest Americans.

I urge my colleagues to reject this retreat from public education, to reject this retreat from education reform, to oppose this measure, and to vote against cloture.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. I understand the leadership on the other side and the NEA are endeavoring to filibuster this proposal, but they will not succeed in the long run. This is going to happen.

I do want to respond quickly to several of the remarks of the Senator from Illinois. First, the figures from the Treasury Department have been ridiculed and rejected. They have absolutely no credibility. That is the same formula they used to try to discredit the other tax relief. They used imputed income —if you rent your house, that sort of thing.

The Joint Committee on Taxation says 75 percent of all these proceeds will go to people making $75,000 or less.

Ms. MOSELEY-BRAUN. Will the Senator yield?

Mr. COVERDELL. I cannot yield because of the time. I know the Senator will appreciate that.

I also want to point out that the formula that governs this account is the same one the Senator from Illinois voted for in the tax relief plan when the IRA saving account was set up for higher education. It is identical. The Senator from Illinois has already voted for this account. The distribution of the moneys is identical. In those accounts, like these accounts, 70 percent of it will go to families earning $75,000 or less.

The Senate and House have already expressed themselves on it. It is means tested. It is the same formula your President and my President requested be put in place. The same one that governs those accounts, you and I both voted for, as did the vast majority. It is the same formula on this account.

Now, the Senator has suggested this is something new. This is an IRA. They have been here for 17 years. The Senate already cast 59 votes for this account in the tax relief proposal. The House has passed it. This is not some new idea, snaking through the Halls of Congress. We have been dealing with IRA's for almost two decades.

The last point I make, and I understand the misunderstanding because of

some of the administration views, I want to remind the Senator that 70 percent of all these new resources which would supplement education will go to students in public schools. Public schools are going to be the big winner here. And 10.8 million families with children in public schools will use these accounts—so there will be an enrichment of the public school system—of the 14 million, so that means less than 3 million will be in private schools.

CLOTURE MOTION

Mr. COVERDELL. Mr. President, I now send a cloture motion to the desk to H.R. 2646.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on H.R. 2646, the Education Savings Act for Public and Private Schools:

Trent Lott, Paul Coverdell, Robert F. Bennett, Pat Roberts, Strom Thurmond, Gordon H. Smith, Bill Frist, Mike DeWine, Larry E. Craig, Don Nickles, Connie Mack, Jeff Sessions, Conrad Burns, Lauch Faircloth, Thad Cochran, and Wayne Allard.

Mr. COVERDELL. I yield the balance of my time to the distinguished colleague from New Jersey.

Mr. TORRICELLI. I thank the Senator from Georgia, Senator COVERDELL, for yielding time to me. I am very proud to join with him in offering this proposal today.

Mr. President, I think there is a growing awareness in our country that the status quo in education is no longer good enough, that there is a need for fundamental reform in the financing and the standards and our approach to educating our children in the grade school and high school levels.

This legislation offers the promise of a new beginning in how we approach educational reform. In a time of limited budgets, as we seek to balance the Federal budget, we are marshaling private resources. At a time when families have been separated from the challenge of educating their own children, we are challenging families to get involved again. At a time when some are fighting between private education and public education, we seek to help both.

Senator COVERDELL and I do this in what I think is an imaginative approach, what really is no more than an extension of what President Clinton proposed to do and achieve with his HOPE scholarships for colleges, we do for high schools and grade schools.

We do it in the following fashion: It is a challenge to all families of middle-income status—$95,000 and below. From the time of the birth of your child, you, uncles, aunts, grandparents, can put into a tax-free account, $10, $20, $100 a month, put money aside to prepare for the education of your child. In private school, parochial school, if you choose a yeshiva, or in public schools—indeed, the Joint Tax Committee has estimated 70 percent of this money will go for public school students—by allowing families to plan, recognizing that a public school education, is no longer a matter of 8:30 in the morning to 3 o'clock in the afternoon with just a teacher. The whole family has to get involved.

Use this money to buy a home computer, pay for transportation after school so a student can get tutoring, extracurricular activities, or hire a public school teacher after school or on weekends to get involved in tutoring. It is the marshaling of family resources, family involvement, to help either complement that public education or allow for a private education.

Now, the question becomes, is it wrong to even use these private resources to help with a private education? Unlike Senator COVERDELL, I have, through the years, opposed the use of vouchers, because I thought it was a diversion of public resources at a time when the public schools cannot afford the loss of resources. I had constitutional reservations. On vouchers, we can all differ. This is not a voucher. There is not a constitutional issue because this is private money, not Government money. There is not an issue of compromising current resources for public education because this is private money, and it is new money. Not a single dollar is lost from the public schools by the use of these IRA's. But is it needed? For those who do not want to address the problem of private education, does it really help the 90 percent of American students who go to public schools? Absolutely. President Clinton has put a challenge down to the country: By the year 2000, every American school should be on line. But American students do their homework and research at home. Seventy percent of American students do not have a computer in the home. Eighty-five percent of black and Hispanic students do not have a computer at home. Under Mr. COVERDELL's proposal, that would be allowed from these accounts.

Mr. President, I thank the Senator for yielding the time. I am very proud to join with him in offering the A-plus accounts.

I yield the floor.

The PRESIDING OFFICER. All time has expired.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture on H.R. 2646.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on H.R. 2646, the Education Savings Act for Public and Private Schools.

Trent Lott, Paul Coverdell, Robert F. Bennett, Pat Roberts, Strom Thurmond, Gordon H. Smith, Bill Frist, Mike DeWine, Larry E. Craig, Don Nickles, Connie Mack, Jeff Sessions, Conrad Burns, Lauch Faircloth, Thad Cochran, and Wayne Allard.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on H.R. 2646, the A-plus education bill, shall be brought to a close?

The yeas and nays are required under the rule, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Montana [Mr. BAUCUS], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Minnesota [Mr. WELLSTONE] are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota [Mr. WELLSTONE] would vote "no."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 56, nays 41, as follows:

[Rollcall Vote No. 288 Leg.]

YEAS—56

Abraham	Gorton	McConnell
Allard	Gramm	Murkowski
Ashcroft	Grams	Nickles
Bennett	Grassley	Roberts
Bond	Gregg	Roth
Brownback	Hagel	Santorum
Burns	Hatch	Sessions
Campbell	Helms	Shelby
Coats	Hutchinson	Smith (NH)
Cochran	Hutchison	Smith (OR)
Collins	Inhofe	Snowe
Coverdell	Jeffords	Specter
Craig	Kempthorne	Stevens
D'Amato	Kyl	Thomas
DeWine	Lieberman	Thompson
Domenici	Lott	Thurmond
Enzi	Lugar	Torricelli
Faircloth	Mack	Warner
Frist	McCain	

NAYS—41

Akaka	Durbin	Landrieu
Biden	Feingold	Lautenberg
Bingaman	Feinstein	Leahy
Boxer	Ford	Levin
Breaux	Glenn	Mikulski
Bryan	Graham	Moseley-Braun
Bumpers	Harkin	Moynihan
Byrd	Hollings	Murray
Chafee	Inouye	Reed
Cleland	Johnson	Reid
Conrad	Kennedy	Robb
Daschle	Kerrey	Sarbanes
Dodd	Kerry	Wyden
Dorgan	Kohl	

NOT VOTING—3

Baucus	Rockefeller	Wellstone

The PRESIDING OFFICER. On this vote, the yeas are 56, the nays are 41.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I ask unanimous consent that I be able to proceed for 5 minutes notwithstanding rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. LOTT. I do this, Mr. President, just so that Senator DASCHLE and I can explain what is transpiring.

As you know, we are prepared now to go to the cloture vote on the DOD authorization conference report. However, the interested parties on both sides of the aisle and on both sides of the issue involved, regarding the depots, wanted a few minutes to talk about what would be the situation beyond this, and so there are a lot of conversations going on now in the back of the Chamber. I would like to give them a few more minutes to discuss the various options. As soon as we then call off the quorum call, we would proceed to a cloture vote.

It is my thinking that we would probably go to this cloture vote, but it is going to be a few more minutes before we can actually proceed to that vote. But we will not let it languish very long. The interested parties asked for a few minutes to talk. That is what we are doing. I realize Members have other commitments. But we will, probably within the next 15 or 20 minutes, have some final decision, and then we will know whether we will have a vote on cloture at that point or not.

Mr. THURMOND. Mr. President, in a few moments, the Senate will vote to invoke cloture on the Defense authorization bill for fiscal year 1998. As all of you know, we have had a difficult time getting to this point. After months of negotiating on the depot maintenance issue, we finally achieved a breakthrough when those Members of Congress who have depots agreed to a compromise heretofore believed to be unachievable.

Those Members who have depots gave up on issues extremely important to them substantively and politically. At that time, those of us who had worked over many months to achieve such a compromise believed that we could finally put this very divisive issue behind us. It was simply unthinkable to us that after those with depots had come so far toward the other side's position that the Senators from Texas and California would oppose this compromise. They have always said they only wanted the opportunity to compete. This compromise gives them that opportunity on what the Armed Services Committee believes is clearly a level playing field.

All 18 members of the Armed Services Committee have signed this conference report indicating their support of the compromise. The ranking member of the committee, Senator LEVIN, supported the Senators from Texas and California up to the point when this compromise was negotiated. He and his staff were totally involved in drafting and negotiating the compromise. Senator LEVIN and I join in total support of this compromise which is fair and equitable to all parties.

This bill is important to the young men and women who serve in our military forces. The bill includes pay raises and increases to special incentive pay including vital aviator bonuses. Provisions in this bill affect every aspect of our national defense including quality of life initiatives, modernization, and readiness. I remind all Senators that all military construction projects require an authorization as well as an appropriation and cannot be executed without this bill.

All members of the committee support this bill. The House has already passed it by a veto-proof majority of 286 to 123. The leaders of the Defense Department have indicated that they can make this compromise work and that they need this bill passed. It is hard for me to believe that any Senator would oppose and delay the entire Defense authorization bill at a time when American troops are deployed in Bosnia and trouble appears to be brewing again in the Middle East.

I strongly encourage all Senators to vote to invoke cloture on this bill. We must send a strong signal to the White House to demonstrate to the President that this bill which is so important to our national security should be passed now. I also ask the support of all Senators to defeat any further attempts to delay this bill. Show the young men and women in uniform serving our Nation around the world that we are strongly behind them.

I yield the floor. I observe the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BENNETT). Is there objection?

Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I move to waive rule XXII to use a couple minutes of my leader time.

The PRESIDING OFFICER. Without objection, it is so ordered.

EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

Mr. DASCHLE. Mr. President, I thought I would just take a moment while we were negotiating here on the next vote and our schedule, to comment briefly on the cloture vote that we have just taken. It is clear that within our caucus there are varying positions with regard to the Coverdell bill. Obviously, it is our desire to accommodate all of our colleagues as we attempt to work through those positions, for we recognize the importance of a good debate about the issue.

The bill, as we all know, was brought to the floor in an unusual set of circumstances. It passed the House and was not sent to the Finance Committee as most tax legislation is. It was sent directly to the desk and pulled from the desk for consideration. And a cloture motion was filed immediately, precluding Senators' rights to offer amendments, including relevant amendments. So it was on the basis of procedure, and our inability to offer amendments, that many of my colleagues have chosen to oppose cloture this morning.

It is my hope that we can work with our colleagues to come up with an agreement that will allow the consideration of amendments. Democrats need to protect their rights to offer amendments regardless of the legislation, but especially on matters relating to tax matters. And that is, in essence, the concern that we express in our opposition to cloture this morning. Let's have a good debate. Let's offer amendments. Let's have an opportunity to consider alternatives. But let's ensure that the normal process, the regular order, is adhered to as we take up matters of this import.

So that is, in essence, the situation we find ourselves in this morning. On the basis of procedure, given our inability to offer amendments to the bill, many of our colleagues found it necessary to oppose cloture. It is my hope that over the course of the next couple of days we can come to some resolution with regard to amendments and therefore have the kind of debate we should have—the opportunity to discuss this issue and consider the bill in more detail. I believe that ultimately we can resolve this impasse.

I thank Senators for giving me the opportunity to provide that explanation. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I think we are ready to go with the regular order.

CLOTURE MOTION

The PRESIDING OFFICER. By unanimous consent, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will report.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to the conference report to accompany H.R. 1119, the National Defense Authorization Act:

Trent Lott, Strom Thurmond, Wayne Allard, Pat Roberts, Judd Gregg, Robert F. Bennett, Rod Grams, Spencer Abraham, Don Nickles, John Ashcroft, Rick Santorum, Tim Hutchinson, Paul Coverdell, Bob Smith, James Inhofe, Chuck Hagel, and John Warner.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to proceed to the conference report to accompany H.R. 1119, the National Defense Authorization Act, shall be brought to a close?

The yeas and nays are required. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Florida [Mr. MACK] and the Senator from Arizona [Mr. MCCAIN] are necessarily absent.

Mr. FORD. I announce that the Senator from Montana [Mr. BAUCUS], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Minnesota [Mr. WELLSTONE] are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota [Mr. WELLSTONE] would vote "aye."

The PRESIDING OFFICER (Mr. BOND). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 93, nays 2, as follows:

[Rollcall Vote No. 289 Leg.]

YEAS—93

Abraham	Bond	Byrd
Akaka	Boxer	Campbell
Allard	Breaux	Chafee
Ashcroft	Brownback	Cleland
Bennett	Bryan	Coats
Biden	Bumpers	Cochran
Bingaman	Burns	Collins
Conrad	Harkin	Moynihan
Coverdell	Hatch	Murkowski
Craig	Helms	Murray
D'Amato	Hutchinson	Nickles
Daschle	Hutchison	Reed
DeWine	Inhofe	Reid
Dodd	Inouye	Robb
Domenici	Jeffords	Roberts
Dorgan	Johnson	Roth
Durbin	Kempthorne	Santorum
Enzi	Kennedy	Sarbanes
Faircloth	Kerrey	Sessions
Feingold	Kerry	Shelby
Feinstein	Kyl	Smith (NH)
Ford	Landrieu	Smith (OR)
Frist	Lautenberg	Snowe
Glenn	Leahy	Specter
Gorton	Levin	Stevens
Graham	Lieberman	Thomas
Gramm	Lott	Thompson
Grams	Lugar	Thurmond
Grassley	McConnell	Torricelli
Gregg	Mikulski	Warner
Hagel	Moseley-Braun	Wyden

NAYS—2

Hollings	Kohl

NOT VOTING—5

Baucus	McCain	Wellstone
Mack	Rockefeller	

The PRESIDING OFFICER. On this vote, the yeas are 93, the nays are 2. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998—CONFERENCE REPORT

MOTION TO PROCEED

The Senate continued with the consideration of the motion to proceed.

The PRESIDING OFFICER. The question is on agreeing to the motion to proceed.

The motion to proceed was agreed to.

Mr. LOTT. Mr. President, for the information of all Senators, the Senators involved in the depot issue with respect to the Department of Defense authorization conference report have reached an agreement for consideration and adoption of the conference report on Thursday, November 6.

Having said that, I thank all Senators for their cooperation. We did just then agree to a motion, and the conference report is before the Senate.

UNANIMOUS-CONSENT REQUEST—S. 1269

Mr. LOTT. I now ask unanimous consent the Senate turn to S. 1269, the fast-track legislation.

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. I object.

RECIPROCAL TRADE AGREEMENT OF 1997—MOTION TO PROCEED

Mr. LOTT. In light of the objection, I now move to proceed to S. 1269, and send a cloture motion to the desk.

CLOTURE MOTION

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provision of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to calendar No. 198, S. 1269, the so-called fast-track legislation.

TRENT LOTT, BILL ROTH, JON KYL, PETE DOMENICI, THAD COCHRAN, ROD GRAMS, SAM BROWNBACK, RICHARD SHELBY, JOHN WARNER, SLADE GORTON, CRAIG THOMAS, LARRY E. CRAIG, MITCH MCCONNELL, WAYNE ALLARD, PAUL COVERDELL, and ROBERT F. BENNETT.

Mr. LOTT. Mr. President, this cloture vote will occur on Tuesday, and I ask the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I now withdraw the motion.

The PRESIDING OFFICER. The motion is withdrawn.

MORNING BUSINESS

Mr. LOTT. I ask unanimous consent there now be a period for morning business until the hour of 2 p.m. with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I yield the floor.

The PRESIDING OFFICER. The Senator from New York is recognized.

THE EDUCATION OF OUR CHILDREN

Mr. D'AMATO. Mr. President, I rise to speak again on an issue of, I think, paramount importance, and that is the education of our children. Mr. President, unless we bring about fundamental reform in education, we are just going to continue to nibble at the margins. We are going to have great intellectual discussions and not be able to help our children.

The needs in our schools are great. We need better textbooks. We need to update computer facilities. We need to insist on teachers teaching the basics. And we need merit pay for good teachers.

Our children deserve an oasis of calm in order to learn. We have to be able to get violent and disruptive juveniles out of the classroom, and "fast track" them out of the classroom. We hear about fast track for trade; what about fast tracking violent, disruptive students out of the classroom?

Most importantly, we need to listen to parents in the local communities. This afternoon, I am going to touch on a few examples, horrendous examples, that all too often are being repeated in the educational systems throughout this country. Time after time, we see the education system supporting administrators, school principals and

teachers at the expense of our children. We have to encourage parental involvement in education. When parents speak out, they have a right to be heard. They have a right to be listened to.

One of the things that parents are clearly calling for is an end of a system of lifetime tenure, lifetime job protection regardless of whether the teacher or the school principals are doing the job. Eliminating tenure and reforming it is a desperately needed measure. The tenure system guarantees a lifetime job to teachers and school principals, regardless of their performance.

Let me give you examples of how children suffer. These are real cases, these are our children. In junior high school 275 in Brooklyn, reading school scores have plummeted 21.5 points in the past 5 years. Sadly, this is a school that is failing our children, and they are getting hurt.

So parents in the community, recognizing that problem, came together. The parents and the local school board wanted to deny tenure to the junior high school 275 principal, Priscilla Williams. I think we ought to applaud those parents for coming together and becoming involved and speaking out, as well as the local school board.

Instead of listening to the parents, instead of listening to the school board, the local superintendent granted permanent tenure to principal Williams. While those scores were plummeting, the school's principal was rewarded with a lifetime guarantee, a lifetime job. So instead of correcting the situation and bringing in a principal who would turn that around, we now have children being held captive. That means these children will continue to suffer, and the school's leaders cannot be held accountable. The scene is repeated throughout the system, unfortunately.

Let's take a look at another district, Brooklyn's district 23. The school board pleaded—pleaded, and these are the elected representatives—to block tenure for five principals at failing elementary and junior high schools. What is their motivation? Their motivation is to give their kids a better educational opportunity. Mr. President, sadly, all five were granted tenure anyway. So what does that mean? That means thousands of children are going to be trapped in a system that is failing them.

Parents know that the tenure system rewards failures. Why don't we listen to these parents who are crying out for reform, who are crying out to give their children a better education? They know that the business-as-usual tenure system is hurting their children. Instead of granting tenure to Principal Williams at junior high school 275 where the reading scores are dropping like a rock, she should have been fired, replaced, and they should have brought in somebody who had the educational experience and the ability to raise those scores.

As tragic as the failing levels are at junior high school 275, there is something more devastating that took place more recently at another school. Again, these are real children involved. This was a school in the Bronx, PS 44, where two 9-year-old girls were brutally sexually assaulted by four boys—9-year-old children at school. The girls reported this incredibly horrendous assault to their teacher. The teacher, in turn, reported it to the school principal, Anthony Padilla. Now, what did Mr. Padilla do? Did he call the police when a teacher reports an assault on two 9-year-old children? No. Did he take any steps to assist the victim, to contact the parents? No. But he did send a letter. He sent a letter to the parents which stated, "No inappropriate behavior took place." Imagine that—doesn't call the authorities but sends a letter to the parents saying, "No inappropriate behavior took place."

Well, the police did investigate the case. Juveniles have been arrested and charged with this horrendous act. But what was done with or to the principal as a result of his failure to confront and deal with this situation in an orderly manner, a brutal attack against two 9-year-old girls? I'll tell you what happened—he was reassigned to a different administrative position within the district.

Now, let me point out something else. Padilla didn't even have tenure. He has previously been denied tenure. Why is he being protected? Why is he being kept in such a position of such responsibility where the lives of hundreds of youngsters are under his control? You have a system that protected him when he should have been fired. It is another example of a system supporting administrators and principals instead of parents and children.

Now, Mr. President, parents know that a principal who doesn't respond to violence within a school should be fired and not just reassigned. He should have been fired. But he is reassigned. Why? Because we have a system that is more interested in protecting the rights and the perks and the privileges and has become a hiring hall. It is an employment center, as opposed to being a center of learning, of knowledge. Something is seriously wrong when they are more concerned with the perks and privileges of the union members, regardless of how they are performing.

Mr. President, let's set the record straight. I believe the vast number of our teachers are good, are dedicated, are great professionals. We should reward them and we should pay them for that and we should recognize that. But the incompetent who are receiving lifetime job security are eroding this system both at the administrative level and, yes, in the classrooms. Something is seriously wrong when parents try to get involved in their children's education—in the examples I pointed out to you, where the school boards are begging for changes—and the system refuses to respond to them.

That is exactly what has happened when school principals are granted lifetime tenure over the objections of parents and in spite of the record of the failing schools. The tenure system has kept some principals in schools for 25 years while the academic performance has continually declined. That is wrong and has to be stopped.

I want to congratulate the parents for getting involved in their children's education. Nothing is more important. We have an obligation to reform our educational system. We have to get rid of today's system that ignores parents and rewards failing principals with lifetime tenure and replace it with a new system, a system that listens to parents and rewards their involvement and thinks about the education of the children first, not the perks and privileges of those who work in the system.

I yield the floor, and I thank my colleagues for granting me this additional time.

Mr. DORGAN. I ask unanimous consent to proceed for 10 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

FAST TRACK

Mr. DORGAN. Mr. President, a few moments ago the majority leader came to the floor and filed a cloture motion on what is called the motion to proceed to the fast-track trade authority legislation that we will consider beginning next week in the U.S. Senate. I want to make comment about that, on the issue of fast-track authority.

It seems to me it does not serve well the interests of this country to try to fit into a small crevice, at the end of the first session of this Congress with only days left, a debate about international trade.

What is our situation in trade in this country? Well, it is not a very pretty picture. We have the largest trade deficit in the history of this country right now. We have huge and growing trade deficits with Japan. This year, it is expected to total between $60 billion to $65 billion. We have a mushrooming trade deficit with China, this year expected to reach close to $50 billion. We have an ongoing trade deficit with Mexico and Canada. We have a flood of subsidized goods coming into our country that I am convinced violates the antidumping laws of this country, undercutting our producers and undercutting our farmers. Yet, nothing is done about it.

We are not winning in world trade. First of all, I think we are losing because our trade agreements have been

negotiated largely as foreign policy instruments. Secondly, the trade agreements that do exist, which could be beneficial to this country, are not enforced. You can point to trade agreement after trade agreement with Japan, for example, and discover that no matter what the agreement is, it is not complied with by the Japanese and not enforced by the United States.

The reason I take the time to mention this today is that we face very significant trade problems in this country. We have a daunting, growing trade deficit which has contributed now in the aggregate to about $2 trillion in our current accounts deficit. This deficit will be and must be repaid at some point in the future with a lower standard of living in this country.

This is the other deficit. We have spent many months and many years talking about the budget deficit, and have wrestled that budget deficit to the ground. But this other deficit, the trade deficit, is growing. Nobody seems to care about that.

The request comes now to Congress for fast track from the President saying: Let us go out and negotiate new trade agreements. I say let's solve the trade problems that exist from the old trade agreements before we rush off to make new trade agreements.

In recent years, we made a free trade agreement with Canada. What happened? A flood of Canadian grain has come down our back door, undercutting our farmers. This is costing North Dakota alone, according to a recent North Dakota State University study, $220 million a year in lost revenue. This grain is coming from a state trading enterprise in Canada that would be illegal in this country.

We had a trade agreement with Mexico. Prior to that, we had a $2 billion trade surplus with Mexico. Now it is apparently a $16 billion trade deficit with Mexico. We now import more automobiles from Mexico to the United States than we export to all of the rest of the world. A recent study by the Economic Policy Institute says that we have lost 395,000 jobs in America as a result of the trade agreement with Mexico and Canada called NAFTA. This trade of ours is not moving in the right direction. It is moving in the wrong direction.

We should have a debate about trade policy, but it ought not be a debate that is tried to be fit into a narrow crevasse at the end of this session. I will bet as I stand here today that we will see the majority leader come to the floor in the days ahead trying to restrict amendments, limit amendments and debate, and shortchange the American people on the opportunity to have a full, thorough, and thoughtful debate about this country's trade policy. Just as sure as I am standing here, I know in a matter of 1, 2, 3, or 4 days, we will hear them on the floor saying, "We don't want amendments. We can't have you taking up that much time."

In fact, when the fast-track trade authority bill was passed out of the Senate Finance Committee, I am told it was done in 2 minutes. No amendments. Just minutes, no amendments, no debate. That is not the way this body ought to deal with the important subject of international trade. This is a critically important question to the economic health of this country. It is a question of who will have the jobs in the future, which economies will grow in the future, and who will have opportunity in the years ahead?

I hope that, as we head toward next week and begin discussing this, we can prevail upon the majority leader and others to understand that this must be a full debate. I have plenty of amendments I want to offer. I know other colleagues have some, and I expect and hope we will have that opportunity in the coming week.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. DORGAN. I will be happy to yield.

Mr. BYRD. The Senator has indicated that the administration wants to go out and negotiate additional agreements. What is to keep them from it? They have that authority now. They can go out and negotiate. They are negotiating now. There is nothing here that anybody is doing to keep the administration from negotiating additional agreements, is there?

Mr. DORGAN. The Senator is absolutely correct. This administration says they have negotiated nearly 200 trade agreements in the last 5 years—200 of them. Well, why didn't they need fast track to do that? Because those agreements were mostly bilateral trade agreements in which they weren't trying to change underlying U.S. law. Fast track gives them the opportunity to go out someplace with some negotiators and close the door, have a negotiation outside the purview of the public and propose changing underlying U.S. law. Then fast track says when you come back here to the U.S. Senate, nobody, no Member of this body, has an opportunity to have a voice in changing that agreement that was made behind closed doors.

Mr. BYRD. So the fast track has to do with the operations here within the Senate and the House.

Mr. DORGAN. The Senator is absolutely correct about that.

Mr. BYRD. The administration has the authority right now to negotiate additional agreements and is negotiating additional agreements.

Mr. DORGAN. That's correct. The administration talks about an agreement with Chile. Go negotiate an agreement with Chile. Get an airplane ticket for 1 o'clock. You can do that. Nothing prevents a negotiation on trade with Chile—not this fast-track authority or lack of it. You can negotiate a trade agreement with Chile if you want to.

But, if you want to change underlying law, you have to bring it back to the Congress and get the permission of Congress to do that. The Senator makes an important point. There is nothing that prevents trade negotiations from occurring without fast-track authority. In fact, the administration says it has now completed over 200 trade agreements in the last 5 years.

Mr. BYRD. The fast track means that the Senate and the House are supposed to bind and gag themselves and not talk and not offer amendments, is that correct?

Mr. DORGAN. That is the procedure. That is correct.

Mr. BYRD. No amendments in this body. That is not what the Constitution says. The Constitution says that the Senate may offer amendments to revenue bills, as on other bills, as on other legislation. So that is where the fast track comes in.

Do we want to bind and gag ourselves and not be able to speak for our constituents and speak for our country? Do we want to illuminate the listening public as to what is really going on here? Is that what we are talking about? Fast track means we will hear nothing, say nothing, see nothing, right? We will offer no amendments. We can't do that on behalf of our constituents in the next 5 years; is that right? Am I right?

Mr. DORGAN. Yes, the Senator is exactly right. Fast-track authority means that the Congress says to a President, you negotiate a trade treaty or agreement, bring it back to the Congress, and we agree to restrict ourselves to be unable to offer any changes or any amendments of any kind. That is what the Congress is doing.

Mr. BYRD. Right.

Mr. DORGAN. To give you an example of that, they negotiated a trade agreement with Canada under fast track. I was then serving in the other body on the House Ways and Means Committee, which has 35 votes. They brought that trade agreement to the Ways and Means Committee. The vote was 34–1 to approve it. I was the only one to vote to disapprove it. We weren't able to offer any amendments. It went to the floor of the House, and I led the opposition to it. I lost by 20 or 30 votes. No amendments.

Now, what happened in the last 4 or 5 years with Canada? The deficit has doubled. We have a flood of this unfairly subsidized grain coming in, undercutting our producers. Everybody understands it is unfair trade, and you can't do a thing about it. We have folks that crow about it from time to time, but they don't lift a finger to do anything about it.

That is what is wrong with these kinds of procedures. We should have

been able to amend that treaty to make sure that if a trade agreement with Canada is contemplated, we have the ability to solve a problem if a problem exists. But they have pulled all the teeth now, so there are no teeth in this ability to reconcile and deal with problems. Now we have these trade agreements where the deficits keep ratcheting up. We have unfair competition for our producers, and jobs are leaving our country. As I said 395,000 jobs left our country to Mexico and Canada. It doesn't make any sense for us to tie our hands in this way.

Mr. BYRD. In a manner, this is just a continuation of the siphoning off of the legislative powers, as we saw in the Line-Item Veto Act. It was siphoned away. As a matter of fact, we just gave legislative power to the President. Aside from that subject, that is what is being done here. We are being asked to give up the people's power under the Constitution to legislate, to amend, and to debate. In other words, we are just to buy a pig in a poke and are not even supposed to look inside the poke—just rubberstamp whatever the administration sends up here.

Mr. DORGAN. But we know there is a pig in the poke.

Mr. BYRD. There is something in the poke; I am not sure what is in the poke. But I am not willing to bind and gag myself. I will be forced to do that, of course; they will do that, but we will be kicking and screaming.

This administration wants more and more power, and other administrations have been the same. They have all been the same in wanting this fast track. But I compliment the Senator. I salute him for leading this fight. I am opposed to fast track, and I will be there when the roll is called. I thank the Senator.

I ask unanimous consent that the time I have taken of the Senator's 10 minutes not be charged against the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, the Senator from West Virginia has long been concerned and interested in international trade. I very much value and appreciate his support. It is not the case that the Senator from West Virginia, myself, and others, who believe that fast track is inappropriate and our trade strategy has not worked believe we should put walls around our country or restrict international trade. I think we ought to expand it.

I say this to those folks who talk about fast track: If you want to be fast about something, do something fast, put on your Speedo trunks and do something quickly, and start to quickly solve the trade problems we have. I can cite a dozen of them that undercut American jobs and American producers, workers, and farmers. If you want to be fast about something, let's be fast about starting to solve a few of these problems.

Just demonstrate that you can solve one; it doesn't have to be all of them. Demonstrate that this country has the nerve and will to stand up and say to other countries: If our market is open to you, then your market has to be open to us. We pledge to you that we will be involved in fair trade with you. We demand and insist that you be involved with fair trade practices with us. If not, this country has the will and the nerve to take action.

That is all I ask. If you want to be fast, don't come around here with fast track, come around with fast action to solve trade problems. Show me that you can solve one of them just once. Then let's talk about trade once again.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

(The remarks of Mr. DORGAN pertaining to the introduction of S. 1357 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

RESTRUCTURING THE INTERNAL REVENUE SERVICE

Mr. KERREY. Mr. President, I was very encouraged to read in this morning's newspaper the majority leader's comments about the agenda for the rest of the session. An agreement has been reached on bringing up campaign finance reform next year.

On the list of things that the majority leader had was taking action to restructure the Internal Revenue Service. It was a very controversial debate over one proposal that Congressman PORTMAN, Senator GRASSLEY, Congressman CARDIN, and I introduced a couple of months ago dealing with a proposed public board of directors. A lot of attention was paid to that. Unfortunately, in the process of paying attention to that, we lost sight and a lot of people lost sight of some of the other things that we are going to legislate on that are terribly important.

I was pleased to see, since the House has passed it, that the majority leader indicated that is one of the things he is going to try to get done sometime during the rest of the year. There is broad consensus on some of the things which we know will improve the operational efficiency of the Internal Revenue Service.

Chairman ROTH's Finance Committee had 3 days of hearings on a separate set of issues dealing with privacy, dealing with the power of the Internal Revenue Service to demand action on the part of taxpayers.

These are very important issues, and the chairman has indicated his desire to take up next year the consideration of those issues. I have great respect for Chairman ROTH and his desire to bring attention to the Internal Revenue Service. His intent and his sincerity lead to, I believe, the citizens of the United States seeing that change is needed. However, I believe action is needed yet this year in order to give the new IRS Commissioner, Mr. Rossotti, the authority he needs to be able to manage this agency.

One of the things we found in our restructuring commission when we began in 1995 was that the General Accounting Office disclosed that nearly $4 billion worth of modernization and purchase of computers and software had not produced the desired result and had essentially been wasted. We began our effort in 1995. We held hearings in 1996 and 1997—12 public hearings, thousands of interviews with current employees and taxpayers and professionals that help and assist taxpayers.

We reached our decision in our restructuring commission that the current law was unacceptable, that it would not allow us to go from where we are today to where citizens need to have us go.

Today, 85 percent of Americans voluntarily comply with the Tax Code. That is down from 95 percent 30 years ago. The real test is what does the taxpaying citizen think of the existing system? Their confidence is deteriorating rapidly, and it is deteriorating as a consequence of the law. The law makes it impossible for the Commissioner to manage that agency the way we all want the Commissioner to be able to manage the agency.

We proposed legislation. The legislation has now been passed by the House and has the full support of the President. The President is now calling upon us to take action. As I said, I am hopeful that the majority leader's comments in this morning's paper are an indication that there is still a chance that we can get this done.

We found in our commission deliberations a number of problems that are addressed in this legislation.

First, as I said, the Commissioner can't manage the agency. He can't make decisions to fire. He can't make decisions to reward based upon performance. He can't make decisions to reorganize. He can't make decisions to run the Agency. The law doesn't allow it. You can get whoever you want to come in—and I think the President has found an exceptional individual from the private sector who understands technology and who understands how to manage an organization—but the law does not give Mr. Rossotti the authority that Mr. Rossotti is going to need to manage the Agency.

We also found that there is inconsistent oversight both from the executive branch and from the legislative branch. So we propose not only a public board of citizens that would have

responsibility for developing a strategic plan, but we also propose to create twice a year a joint hearing of appropriations and authorizers and government operations people to give not just the oversight but give us an opportunity to achieve consensus on what the strategic plan is going to be. Twice a year that would be required in order to achieve consensus and, most importantly, achieve consensus for the purpose of being able to make the right investments in technology, being able to sustain the effort over a period of time to do the improvement of operations that are necessary.

It is very difficult to operate the IRS with 200 million tax returns a year. We are heading into the filing season right now. It is an unimaginable problem to try to manage this Agency and satisfy all of the various demands and answer all of the various questions that taxpaying customers have as well as being able to go out and enforce the law against a relatively small percentage of people who are not willing to voluntarily comply with the law; not to mention as well the difficult challenge of adjusting the software and rewriting software for the millennium problem that needs to be solved in the next 18 months in order to be prepared on December 1, 1999, for what will occur, which is the computers will no longer recognize 99 as being 1999—a very big problem for a small agency, and an enormous problem for an agency like the IRS that will be in the middle of a filing season, if their computers go down and they are unable to recognize that number.

So there is an urgency to get this law changed so that this Commissioner can have the authority to manage, the authority that is needed so the Commissioner has the kind of oversight that is needed, and in order to have any chance at all of being able to manage this Agency, to reduce the current problems and avoid future problems as well.

The legislation provides incentives for electronic filing. We found in our examination of the Internal Revenue Service that there was a 25-percent rate of error in the paperwork. In electronic filing the rate of error was less than 1 percent. Errors mean dollars both to the filers as well as the organization that is being operated. There is a tremendous opportunity for saving money both from standpoint of the taxpayer in what it costs to comply with the code as well as the taxpayer from the standpoint of operating the IRS.

We believe, and everybody who has looked at it believes, that electronic filing is a tremendous way to save money and satisfy the demand of the customer to close this breathtaking gap that currently exists between what a private sector financial service agency can do and what the IRS can do. All of us understand what an ATM card is. All of us have seen what the private sector has done to reduce the amount of time needed to do a transaction with a financial institution. The IRS has been unable to keep pace with what the private sector is doing, and we think that electronic filing is not only likely to save money but will also increase people's confidence that the IRS is closing the gap between what the private sector is able to do and what they are able to do.

We have a section in there on taxpayer rights. We do not address the so-called 6103, the privacy issues, that Chairman ROTH and Senator MOYNIHAN did with the Finance Committee, but there are a number of things where we are absolutely certain that, if we make some changes, the taxpayer will have increased authority. We give the taxpayer advocate more independence, moving them outside the IRS; it is very difficult to imagine that person doing the job they need to do if, after they criticize the IRS, they then depend on the IRS personnel system in order to be advanced.

We make some additional changes on the burden of proof. We think having modified it slightly does not produce a situation that will result in a deterioration of our ability to get voluntary compliance or impose a burden upon individuals who are willing to comply in a voluntary fashion.

We provide as well, Mr. President, some changes that will I think address the problem of a complex Code, not by reforming the Tax Code but by putting the Commissioner at the table and giving the Commissioner the authority to comment either on proposals made by the President or by the Congress as to the cost of compliance and putting in a complexity index that would give us some kind of idea of cost anytime we have some new change we want to make.

Over and over and over we heard from witnesses coming before the Commission who said to us almost nothing is going to work if Congress continues to make the Code complex. If we continue to add provisions that add to the already estimated $200 billion that the private sector taxpayer pays in order to complete their forms, if we continue to make the Tax Code more and more complicated, it is going to be very difficult to manage the Agency for the purpose of reducing the customer dissatisfaction and increasing the voluntary compliance with the system.

Mr. President, I am very encouraged, and I hope we are able, in fact—there is now 13 of the 20 members of the Finance Committee who are supportive of this legislation. My guess is it will pass the Senate with a very large number. I have heard very few people raise objections now that we have reached agreement with the administration. I have heard very few people say this legislation would not help an awful lot. There will be 200 or more collections notices a day going out between now and the time that we act, 800,000 notices of either audits or other kinds of requirements sent to the taxpayers every single month. There is an urgency to act on this.

Are there other things that need to be done? The answer is yes. Will it solve every problem? The answer is no. But it will give the Commission the tools the Commissioner needs to manage the agency. It will change the oversight and make it possible for us to get shared and agreed consensus on where it is we are going to go. It will give the taxpayer more authority and more power than they currently have. And it will enable us to assess whether or not some new tax idea that we have is going to cost us more to implement than we are going to generate in revenue as a result of the change in the Code.

So I am very encouraged by the majority leader's comments in the paper this morning, and I am hopeful in that bipartisan way, in a big bipartisan way we can pass in the Senate, conference with the House, and send to the President for his signature a change in the law that would give taxpaying citizens increased confidence not only that they are going to get a fair shake but that Government of, for, and by the people works.

Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FRIST). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SMALL BUSINESS PROGRAMS REAUTHORIZATION AND AMENDMENTS ACT OF 1997

Mr. BOND. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on (S. 1139) to authorize the programs of the Small Business Administration, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1139) entitled "An Act to reauthorize the programs of the Small Business Administration, and for other purposes.", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Small Business Programs Reauthorization and Amendments Acts of 1997".

(b) TABLE OF CONTENTS.—

TITLE I—AUTHORIZATIONS

SEC. 101. AUTHORIZATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by striking subsections (l) through (q) and inserting the following:

"(l) The following program levels are authorized for fiscal year 1998:

"(1) For the programs authorized by this Act, the Administration is authorized to make—

"(A) $40,000,000 in technical assistance grants, as provided in section 7(m); and

"(B) $60,000,000 in loans, as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make $15,040,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) $11,000,000,000 in general business loans as provided in section 7(a);

"(B) $3,000,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

"(C) $1,000,000,000 in loans as provided in section 7(a)(21); and

"(D) $40,000,000 in loans as provided in section 7(m).

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(A) $600,000,000 in purchases of participating securities; and

"(B) $500,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to section 411(a)(3) of that Act.

"(5) The Administration is authorized to make grants or enter into cooperative agreements—

"(A) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $4,000,000; and

"(B) for activities of small business development centers pursuant to section 21(c)(3)(G), $15,000,000, to remain available until expended.

"(m)(1) There are authorized to be appropriated to the Administration for fiscal year 1998 such sums as may be necessary to carry out this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(2) Notwithstanding paragraph (1), for fiscal year 1998—

"(A) no funds are authorized to be provided to carry out the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under subsection (l)(2)(A) is fully funded; and

"(B) the Administration may not approve loans on behalf of the Administration or on behalf of any other department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than $1,250,000.

"(n) The following program levels are authorized for fiscal year 1999:

"(1) For the programs authorized by this Act, the Administration is authorized to make—

"(A) $60,000,000 in technical assistance grants as provided in section 7(m); and

"(B) $60,000,000 in loans, as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make $16,540,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) $12,000,000,000 in general business loans as provided in section 7(a);

"(B) $3,500,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

"(C) $1,000,000,000 in loans as provided in section 7(a)(21); and

"(D) $40,000,000 in loans as provided in section 7(m).

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(A) $700,000,000 in purchases of participating securities; and

"(B) $650,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to section 411(a)(3) of that Act.

"(5) The Administration is authorized to make grants or enter cooperative agreements—

"(A) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $4,500,000; and

"(B) for activities of small business development centers pursuant to section 21(c)(3)(G), not to exceed $15,000,000, to remain available until expended.

"(o)(1) There are authorized to be appropriated to the Administration for fiscal year 1999 such sums as may be necessary to carry out this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(2) Notwithstanding paragraph (1), for fiscal year 1999—

"(A) no funds are authorized to be provided to carry out the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under subsection (n)(2)(A) is fully funded; and

"(B) the Administration may not approve loans on behalf of the Administration or on behalf of any other department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than $1,250,000.

"(p) The following program levels are authorized for fiscal year 2000:

"(1) For the programs authorized by this Act, the Administration is authorized to make—

"(A) $75,000,000 in technical assistance grants as provided in section 7(m); and

"(B) $60,000,000 in direct loans, as provided in section 7(m).

"(2) For the programs authorized by this Act, the Administration is authorized to make $19,040,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(A) $13,500,000,000 in general business loans as provided in section 7(a);

"(B) $4,500,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

"(C) $1,000,000,000 in loans as provided in section 7(a)(21); and

"(D) $40,000,000 in loans as provided in section 7(m).

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(A) $850,000,000 in purchases of participating securities; and

"(B) $700,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of

1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to the provisions of section 411(a)(3) of that Act.

''(5) The Administration is authorized to make grants or enter cooperative agreements—

''(A) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $5,000,000; and

''(B) for activities of small business development centers pursuant to section 21(c)(3)(G), not to exceed $15,000,000, to remain available until expended.

''(q)(1) There are authorized to be appropriated to the Administration for fiscal year 2000 such sums as may be necessary to carry out this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the provisions of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

''(2) Notwithstanding paragraph (1), for fiscal year 2000—

''(A) no funds are authorized to be provided to carry out the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under subsection (p)(2)(A) is fully funded; and

''(B) the Administration may not approve loans on behalf of the Administration or on behalf of any other department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than $1,250,000.''.

TITLE II—FINANCIAL PROGRAMS

Subtitle A—General Business Loans

SEC. 201. SECURITIZATION REGULATIONS.

The Administrator shall promulgate final regulations permitting bank and non-bank lenders to sell or securitize the non-guaranteed portion of loans made under section 7(a) of the Small Business Act (15 U.S.C. 636(a)). Such regulations shall be issued within 90 days of the date of enactment of this Act, and shall allow securitizations to proceed as regularly as is possible within the bounds of prudent and sound financial management practice.

SEC. 202. BACKGROUND CHECK OF LOAN APPLICANTS.

Section 7(a)(1) of the Small Business Act (15 U.S.C. 636(a)(1)) is amended by striking ''(1)'' and inserting the following:

''(1)(A) CREDIT ELSEWHERE.—'', and by adding the following new paragraph at the end:

''(B) BACKGROUND CHECKS.—Prior to the approval of any loan made pursuant to this subsection, or section 503 of the Small Business Investment Act, the Administrator shall verify the applicant's criminal background, or lack thereof, through the best available means, including, if possible, use of the National Crime Information Center computer system at the Federal Bureau of Investigation.''.

SEC. 203. REPORT ON INCREASED LENDER APPROVAL, SERVICING, FORECLOSURE, LIQUIDATION, AND LITIGATION OF 7(a) LOANS.

(a) Within six months of the date of enactment of this act the Administrator shall report on action taken and planned for future reliance on private sector lender resources to originate, approve, close, service, liquidate, foreclose, and litigate loans made under Section 7(a) of the Small Business Act. The report should address administrative and other steps necessary to achieve these results, including—

(1) streamlining the process for approving lenders and standardizing requirements;

(2) establishing uniform reporting requirements using on-line automated capabilities to the maximum extent feasible;

(3) reducing paperwork through automation, simplified forms or incorporation of lender's forms;

(4) providing uniform standards for approval, closing, servicing, foreclosure, and liquidation;

(5) promulgating new regulations or amending existing ones;

(6) establishing a timetable for implementing the plan for reliance on private sector lenders;

(7) implementing organizational changes at SBA; and

(8) estimating the annual savings that would occur as a result of implementation.

(b) In preparing the report the Administrator shall seek the views and consult with, among others, 7(a) borrowers and lenders, small businesses who are potential program participants, financial institutions who are potential program lenders, and representative industry associations, such as the U. S. Chamber of Commerce, the American Bankers Association, the National Association of Government Guaranteed Lenders and the Independent Bankers Association of America.

SEC. 204. COMPLETION OF PLANNING FOR LOAN MONITORING SYSTEM.

(a) The Administrator shall perform and complete the planning needed to serve as the basis for funding the development and implementation of computerized loan monitoring system, including—

(1) fully defining the system requirement using on-line, automated capabilities to the extent feasible;

(2) identifying all data inputs and outputs necessary for timely report generation;

(3) benchmark loan monitoring business processes and systems against comparable industry processes and, if appropriate, simplify or redefine work processes based on these benchmarks;

(4) determine data quality standards and control systems for ensuring information accuracy;

(5) identify an acquisition strategy and work increments to completion;

(6) analyze the benefits and costs of alternatives and use to demonstrate the advantage of the final project;

(7) ensure that the proposed information system is consistent with the agency's information architecture; and

(8) estimate the cost to system completion, identifying the essential cost element.

(b) Six months from the date of enactment of this Act, the Administrator shall report to the House and Senate Committees on Small Business pursuant to the requirements of subsection (a), and shall also submit a copy of the report to the General Accounting Office, which shall evaluate the report for compliance with subsection (a) and shall submit such evaluation to both Committees no later than 28 days after receipt of the report from the Small Business Administration. None of the funds provided for the purchase of the loan monitoring system may be expended until the requirements of this section have been satisfied.

Subtitle B—Certified Development Company Program

SEC. 221. REAUTHORIZATION OF FEES.

Section 503 of the Small Business Investment Act of 1958 (15 U.S.C. 697) is amended—

(1) by striking subsection (b)(7)(A) and inserting the following:

''(A) assesses and collects a fee, which shall be payable by the borrower, in an amount equal to 0.9375 percent per year of the outstanding balance of the loan; and'';

(2) by striking from subsection (d)(2) ''equal to 50 basis points'' and inserting ''equal to not more than 50 basis points,'';

(3) by adding the following at the end of subsection (d)(2): ''The amount of the fee authorized herein shall be established annually by the Administration in the minimal amount necessary to reduce the cost (as that term is defined in section 502 of the Federal Credit Reform Act of 1990) to the Administration of purchasing and guaranteeing debentures under this Act to zero.''; and

(4) by striking from subsection (f) ''1997'' and inserting ''2000''.

SEC. 222. PCLP PARTICIPATION.

Section 508(a) of the Small Business Investment Act of 1958 (15 U.S.C. 697e(a)) is amended by striking ''not more than 15''.

SEC. 223. PCLP ELIGIBILITY.

Section 508(b)(2) of the Small Business Investment Act of 1958 (15 U.S.C. 697e(b)(2)) is amended by striking paragraphs (A) and (B) and inserting:

''(A) is an active certified development company in good standing and has been an active participant in the accredited lenders program during the entire 12-month period preceding the date on which the company submits an application under paragraph (1), except that the Administration may waive this requirement if the company is qualified to participate in the accredited lenders program;

''(B) has a history (i) of submitting to the Administration adequately analyzed debenture guarantee application packages and (ii) of properly closing section 504 loans and servicing its loan portfolio; and''.

SEC. 224. LOSS RESERVES.

Section 508(c) of the Small Business Investment Act of 1958 (15 U.S.C. 697e(c)) is amended to read as follows:

''(c) LOSS RESERVE.—

''(1) ESTABLISHMENT.—A company designated as a premier certified lender shall establish a loss reserve for financing approved pursuant to this section.

''(2) AMOUNT.—The amount of the loss reserve shall be equal to 10 percent of the amount of the company's exposure as determined under subsection (b)(2)(C).

''(3) ASSETS.—The loss reserve shall be comprised of any combination of the following types of assets:

''(A) segregated funds on deposit in an account or accounts with a federally insured depository institution or institutions selected by the company, subject to a collateral assignment in favor of, and in a format acceptable to, the Administration; or

''(B) irrevocable letter or letters of credit, with a collateral assignment in favor of, and a commercially reasonable format acceptable to, the Administration.

''(4) CONTRIBUTIONS.—The company shall make contributions to the loss reserve, either cash or letters of credit as provided above, in the following amounts and at the following intervals:

''(A) 50 percent when a debenture is closed;

''(B) 25 percent additional not later than 1 year after a debenture is closed; and

''(C) 25 percent additional not later than 2 years after a debenture is closed.

''(5) REPLENISHMENT.—If a loss has been sustained by the Administration, any portion of the loss reserve, and other funds provided by the premier company as necessary, may be used to reimburse the Administration for the company's 10 percent share of the loss as provided in subsection (b)(2)(C). If the company utilizes the reserve, within 30 days it shall replace an equivalent amount of funds.

''(6) DISBURSEMENTS.—The Administration shall allow the certified development company to withdraw from the loss reserve amounts attributable to any debenture which has been repaid.''.

SEC. 225. GOALS.

Section 508 of the Small Business Investment Act of 1958 (15 U.S.C. 697e) is amended by inserting the following after subsection (d) and by

redesignating subsections (e) through (i) as (f) through (j):

"(e) PROGRAM GOALS.—Certified development companies participating in this program shall establish a goal of processing 50 percent of their loan applications for section 504 assistance pursuant to the premier certified lender program authorized in this section.".

SEC. 226. TECHNICAL AMENDMENTS.

Section 508(g) of the Small Business Investment Act of 1958 (15 U.S.C. 697(g)) is amended—

(1) in subsection (g), as redesignated herein, is amended by striking "State or local" and inserting "certified";

(2) in subsection (h), as redesignated herein—

(A) by striking "EFFECT OF SUSPENSION OR DESIGNATION" and inserting "EFFECT OF SUSPENSION OR REVOCATION"; and

(B) by striking "under subsection (f)" and inserting "under subsection (g)".

SEC. 227. PROMULGATION OF REGULATIONS.

Section 508(i) of the Small Business Investment Act of 1958 (15 U.S.C. 697e(i)), as redesignated herein, is amended to read as follows:

"(i) REGULATIONS.—Not later than 90 days after the date of enactment of this section, the Administration shall promulgate regulations to carry out this section. Not later than 120 days after the date of enactment, the Administration shall issue program guidelines and implement the changes made herein.".

SEC. 228. TECHNICAL AMENDMENT.

Section 508(j) of the Small Business Investment Act of 1958 (15 U.S.C. 697e(j)), as redesignated herein, is amended by striking "other lenders" and inserting "other lenders, specifically comparing default rates and recovery rates on liquidations".

SEC. 229. REPEAL.

Section 217(b) of Public Law 103–403 (108 Stat. 4185) is repealed.

SEC. 230. LOAN SERVICING AND LIQUIDATION.

Section 508(d)(1) of the Small Business Investment Act of 1958 (15 U.S.C. 697e(d)) is amended by striking "to approve loans" and inserting "to approve, authorize, close, service, foreclose, litigate, and liquidate loans".

SEC. 231. USE OF PROCEEDS.

Section 502(1) of the Small Business Investment Act of 1958 (15 U.S.C. 696(1)) is amended to read as follows:

"(1) The proceeds of any such loan shall be used solely by such borrower or borrowers to assist an identifiable small-business or businesses and for a sound business purpose approved by the Administration.".

SEC. 232. LEASE OF PROPERTY.

Section 502 of the Small Business Investment Act of 1958 (15 U.S.C. 696) is amended by adding the following new subsection:

"(5) Not to exceed 25 percent of any project may be permanently leased by the assisted small business: Provided, That the assisted small business shall be required to occupy and use not less than 55 percent of the space in the project after the execution of any leases authorized in this section.".

SEC. 233. SELLER FINANCING AND COLLATERALIZATION.

Section 502(3) of the Small Business Investment Act of 1958 (15 U.S.C. 696(3)) is amended by inserting the following new subparagraphs:

"(D) SELLER FINANCING.—Seller provided financing may be used to meet the requirements of—

"(i) paragraph (B), if the seller subordinates his interest in the property to the debenture guaranteed by the Administration; and

"(ii) not to exceed 50 percent of the amounts required by paragraph (C).

"(E) COLLATERALIZATION.—The collateral provided by the small business concern generally shall include a subordinate lien position on the property being financed under this title, and is only one of the factors to be evaluated in the credit determination. Additional collateral shall be required only if the Administration determines, on a case by case basis, that additional security is necessary to protect the interest of the Government.".

SEC. 234. PREEXISTING CONDITIONS.

Section 502 of the Small Business Investment Act of 1958 (15 U.S.C. 696) is amended by adding the following new paragraph:

"(6) Any loan authorized under this section shall not be denied or delayed for approval by the Administration due to concerns over preexisting environmental conditions: Provided, That the development company provides the Administration a letter issued by the appropriate State or Federal environmental protection agency specifically stating that the environmental agency will not institute any legal proceedings against the borrower or, in the event of a default, the development company or the Administration based on the preexisting environmental conditions: Provided further, That the borrower shall agree to provide environmental agencies access to the property for any reasonable and necessary remediation efforts or inspections.".

Subtitle C—Small Business Investment Company Program

SEC. 241. 5-YEAR COMMITMENTS.

Section 20(a)(2) of the Small Business Act (15 U.S.C. 631 note) is amended in the last sentence by striking "the following fiscal year" and inserting "any one or more of the 4 subsequent fiscal years".

SEC. 242. PROGRAM REFORM.

(a) TAX DISTRIBUTIONS.—Section 303(g)(8) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)(8)) is amended in the first sentence—

(1) by inserting ", for each calendar quarter or once annually, as the company may elect," after "the company may"; and

(2) by inserting "for the preceding quarter or year" before the period.

(b) LEVERAGE FEE.—Section 303(i) of the Small Business Investment Act of 1958 (15 U.S.C. 683(i)) is amended by striking ", payable upon" and all that follows before the period and inserting the following: "in the following manner: 1 percent upon the date on which the Administration enters into any commitment for such leverage with the licensee, and the balance of 2 percent (or 3 percent in which case in which no commitment has been entered into by the Administration) on the date on which the leverage is drawn by the licensee".

(c) PERIODIC ISSUANCE OF GUARANTEES AND TRUST CERTIFICATES.—Section 320 of the Small Business Investment Act of 1958 (15 U.S.C. 687m) is amended by striking "three months" and inserting "6 months".

(d) INDEXING FOR LEVERAGE.—Section 303 of the Small Business Investment Act of 1958 (15 U.S.C. 683) is amended—

(1) in subsection (b)—

(A) in paragraph (2), by adding at the end the following:

"(D)(i) The dollar amounts in subparagraphs (A), (B), and (C) shall be adjusted annually to reflect increases in the Consumer Price Index established by the Bureau of Labor Statistics of the Department of Labor.

"(ii) The initial adjustments made under this subparagraph after the date of enactment of the Small Business Reauthorization Act of 1997 shall reflect only increases from March 31, 1993."; and

(B) by striking paragraph (4) and inserting the following:

"(4) MAXIMUM AGGREGATE AMOUNT OF LEVERAGE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the aggregate amount of outstanding leverage issued to any company or companies that are commonly controlled (as determined by the Administrator) may not exceed $90,000,000, as adjusted annually for increases in the Consumer Price Index.

"(B) EXCEPTIONS.—The Administrator may, on a case-by-case basis—

"(i) approve an amount of leverage that exceeds the amount described in subparagraph (A) for companies under common control; and

"(ii) impose such additional terms and conditions as the Administrator determines to be appropriate to minimize the risk of loss to the Administration in the event of default.

"(C) APPLICABILITY OF OTHER PROVISIONS.—Any leverage that is issued to a company or companies commonly controlled in an amount that exceeds $90,000,000, whether as a result of an increase in the Consumer Price Index or a decision of the Administrator, is subject to subsection (d)."; and

(2) by striking subsection (d) and inserting the following:

"(d) REQUIRED CERTIFICATIONS.—

"(1) IN GENERAL.—The Administrator shall require each licensee, as a condition of approval of an application for leverage, to certify in writing—

"(A) for licensees with leverage less than or equal to $90,000,000, that not less than 20 percent of the licensee's aggregate dollar amount of financings will be provided to smaller enterprises; and

"(B) for licensees with leverage in excess of $90,000,000, that, in addition to satisfying the requirements of subparagraph (A), 100 percent of the licensee's aggregate dollar amount of financings made in whole or in part with leverage in excess of $90,000,000 will be provided to smaller enterprises as defined in section 103(12).

"(2) MULTIPLE LICENSEES.—Multiple licensees under common control (as determined by the Administrator) shall be considered to be a single licensee for purposes of determining both the applicability of and compliance with the investment percentage requirements of this subsection.".

SEC. 243. FEES.

Section 301 of the Small Business Investment Act of 1958 (15 U.S.C. 681) is amended by adding the following:

"(d) FEES.—

"(1) IN GENERAL.—The Administration may prescribe fees to be paid by each applicant for a license to operate as a small business investment company under this Act.

"(2) USE OF AMOUNTS.—Amounts collected pursuant to this subsection shall be—

"(A) deposited in the account for salaries and expenses of the Administration; and

"(B) available without further appropriation solely to cover contracting and other administrative costs related to licensing.".

SEC. 244. EXAMINATION FEES.

Section 310(b) of the Small Business Investment Act of 1958 (15 U.S.C. 687b(b)) is amended by inserting after the first sentence the following: "Fees collected under this subsection shall be deposited in the account for salaries and expenses of the Administration, and are authorized to be appropriated solely to cover the costs of examinations and other program oversight activities.".

Subtitle D—Microloan Program

SEC. 251. MICROLOAN PROGRAM EXTENSION.

(a) LOAN LIMITS.—Section 7(m)(3)(C) of the Small Business Act (15 U.S.C. 636(m)(3)(C)) is amended by striking "$2,500,000" and inserting "$3,500,000".

(b) LOAN LOSS RESERVE FUND.—Section 7(m)(3)(D) of the Small Business Act (15 U.S.C. 636(m)(3)(D)) is amended by striking clauses (i) and (ii), and inserting the following:

"(i) during the initial 5 years of the intermediary's participation in the program under this subsection, at a level equal to not more than 15 percent of the outstanding balance of the notes receivable owed to the intermediary; and

"(ii) in each year of participation thereafter, at a level equal to not more than the greater of—

"(I) 2 times an amount reflecting the total losses of the intermediary as a result of participation in the program under this subsection, as determined by the Administrator on a case-by-case basis; or

"(II) 10 percent of the outstanding balance of the notes receivable owed to the intermediary.".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in the subsection heading, by striking "DEMONSTRATION";

(2) by striking "Demonstration" each place that term appears;

(3) by striking "demonstration" each place that term appears; and

(4) in paragraph (12), by striking "during fiscal years 1995 through 1997" and inserting "during fiscal years 1998 through 2000".

SEC. 252. SUPPLEMENTAL MICROLOAN GRANTS.

Section 7(m)(4) of the Small Business Act (15 USC 636 (m)(4)) is amended by adding the following:

"(F)(i) The Administration may accept and disburse funds received from another Federal department or agency to provide additional assistance to individuals who are receiving assistance under the State program funded under part A of title IV of the Social Security Act (42 USC 601 et seq.), or under any comparable State-funded means-tested program of assistance for low-income individuals.

"(ii) Grant proceeds are in addition to other grants provided by this subsection and shall not require the contribution of matching amounts to be eligible. The grants may be used to pay or reimburse a portion of child care and transportation costs of individuals described in clause (i) and for marketing, management and technical assistance.

"(iii) Prior to accepting and distributing any such grants, the Administration shall enter a Memorandum of Understanding with the department or agency specifying the terms and conditions of the grants and providing appropriate monitoring of expenditures by the intermediary and ultimate grant recipient to insure compliance with the purpose of the grant.

"(iv) On January 31, 1999, and annually thereafter, the Administration shall submit to the Committees on Small Business of the House of Representatives and the Senate a report on any monies distributed pursuant to the provisions of this paragraph.

"(v) No funds are authorized to be provided to carry out the grant program authorized by this paragraph (F) except by transfer from another Federal department or agency to the Administration.".

TITLE III—WOMEN'S BUSINESS ENTERPRISES

SEC. 301. REPORTS.

Section 404 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) by inserting ", through the Small Business Administration," after "transmit";

(2) by striking paragraph (1) and redesignating paragraphs (2) through (4) as paragraphs (1) through (3), respectively; and

(3) in paragraph (1), as redesignated, by inserting before the semicolon the following: ", including a status report on the progress of the Interagency Committee in meeting its responsibilities and duties under section 402(a)".

SEC. 302. COUNCIL DUTIES.

Section 406 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) in subsection (c), by inserting after "Administrator" the following: "(through the Assistant Administrator for the Office of Women's Business Ownership)"; and

(2) in subsection (d)—

(A) in paragraph (4), by striking "and" at the end;

(B) in paragraph (5), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(6) submit to the President and to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives, an annual report containing—

"(A) a detailed description of the activities of the council, including a status report on the Council's progress toward meeting its duties outlined in subsections (a) and (d) of section 406;

"(B) the findings, conclusions, and recommendations of the Council; and

"(C) the Council's recommendations for such legislation and administrative actions as the Council considers appropriate to promote the development of small business concerns owned and controlled by women.

"(e) SUBMISSION OF REPORTS.—The annual report required by subsection (d) shall be submitted not later than 90 days after the end of each fiscal year.".

SEC. 303. COUNCIL MEMBERSHIP.

Section 407 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) in subsection (a), by striking "and Amendments Act of 1994" and inserting "Act of 1997";

(2) in subsection (b)—

(A) by striking "and Amendments Act of 1994" and inserting "Act of 1997";

(B) by inserting after "the Administrator shall" the following: ", after receiving the recommendations of the Chair and the Ranking Member of the Minority of the Committees on Small Business of the House of Representatives and the Senate,";

(C) by striking "9" and inserting "14";

(D) in paragraph (1), by striking "2" and inserting "4";

(E) in paragraph (2)—

(i) by striking "2" and inserting "4"; and

(ii) by striking "and" at the end;

(F) in paragraph (3)—

(i) by striking "5" and inserting "6"; and

(ii) by striking "national".

SEC. 304. AUTHORIZATION OF APPROPRIATIONS.

Section 409 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) by striking "1995 through 1997" and inserting "1998 through 2000"; and

(2) by striking "$350,000" and inserting "$600,000, of which $200,000 shall be for grants for research of women's procurement or finance issues.".

SEC. 305. WOMEN'S BUSINESS CENTERS.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended to read as follows:

"SEC. 29. WOMEN'S BUSINESS CENTERS.

"(a) DEFINITION.—For the purposes of this section the term 'small business concern owned and controlled by women', either startup or existing, includes any small business concern—

"(1) that is not less than 51 percent owned by one or more women; and

"(2) the management and daily business operations of which are controlled by one or more women.

"(b) AUTHORITY.—The Administration may provide financial assistance to private organizations to conduct 5-year projects for the benefit of small business concerns owned and controlled by women. The projects shall provide—

"(1) financial assistance, including training and counseling in how to apply for and secure business credit and investment capital, preparing and presenting financial statements, and managing cash flow and other financial operations of a business concern;

"(2) management assistance, including training and counseling in how to plan, organize, staff, direct, and control each major activity and function of a small business concern; and

"(3) marketing assistance, including training and counseling in identifying and segmenting domestic and international market opportunities, preparing and executing marketing plans, developing pricing strategies, locating contract opportunities, negotiating contracts, and utilizing varying public relations and advertising techniques.

"(c) CONDITIONS OF PARTICIPATION.—

"(1) NON-FEDERAL CONTRIBUTIONS.—As a condition of receiving financial assistance authorized by this section, the recipient organization shall agree to obtain, after its application has been approved and notice of award has been issued, cash contributions from non-Federal sources as follows:

"(A) In the first and second years, 1 non-Federal dollar for each 2 Federal dollars.

"(B) In the third year, 1 non-Federal dollar for each Federal dollar.

"(C) In the fourth and fifth years, 2 non-Federal dollars for each Federal dollar.

"(2) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than one-half of the non-Federal sector matching assistance may be in the form of in-kind contributions which are budget line items only, including but not limited to office equipment and office space.

"(3) FORM OF FEDERAL CONTRIBUTIONS.—The financial assistance authorized pursuant to this section may be made by grant, contract, or cooperative agreement and may contain such provision, as necessary, to provide for payments in lump sum or installments, and in advance or by way of reimbursement. The Administration may disburse up to 25 percent of each year's Federal share awarded to a recipient organization after notice of the award has been issued and before the non-Federal sector matching funds are obtained.

"(4) FAILURE TO OBTAIN PRIVATE FUNDING.—If any recipient of assistance fails to obtain the required non-Federal contribution during any project, it shall not be eligible thereafter for advance disbursements pursuant to paragraph (3) during the remainder of that project, or for any other project for which it is or may be funded by the Administration, and prior to approving assistance to such organization for any other projects, the Administration shall specifically determine whether the Administration believes that the recipient will be able to obtain the requisite non-Federal funding and enter a written finding setting forth the reasons for making such determination.

"(d) CONTRACT AUTHORITY.—A women's business center may enter into a contract with a Federal department or agency to provide specific assistance to women and other underserved small business concerns. Performance of such contract should not hinder the women's business centers in carrying out the terms of the grant received by the women's business centers from the Administration.

"(e) SUBMISSION OF 5-YEAR PLAN.—Each applicant organization initially shall submit a 5-year plan to the Administration on proposed fundraising and training activities, and a recipient organization may receive financial assistance under this program for a maximum of 5 years per women's business center.

"(f) CRITERIA.—The Administration shall evaluate and rank applicants in accordance with predetermined selection criteria that shall be stated in terms of relative importance. Such criteria and their relative importance shall be made publicly available and stated in each solicitation for applications made by the Administration. The criteria shall include—

"(1) the experience of the applicant in conducting programs or ongoing efforts designed to impart or upgrade the business skills of women business owners or potential owners;

"(2) the present ability of the applicant to commence a project within a minimum amount of time;

"(3) the ability of the applicant to provide training and services to a representative number of women who are both socially and economically disadvantaged; and

"(4) the location for the women's business center site proposed by the applicant.

"(g) OFFICE OF WOMEN'S BUSINESS OWNERSHIP.—There is established within the Administration an Office of Women's Business Ownership, which shall be responsible for the administration of the Administration's programs for the development of women's business enterprises (as that term is defined in section 408 of the Women's Business Ownership Act of 1988). The Office of Women's Business Ownership shall be administered by an Assistant Administrator, who shall be appointed by the Administrator.

"(h) REPORT.—The Administrator shall prepare and submit an annual report to the Committees on Small Business of the House of Representatives and the Senate on the effectiveness of all projects conducted under the authority of this section. Such report shall provide information concerning—

"(1) the number of individuals receiving assistance;

"(2) the number of startup business concerns formed;

"(3) the gross receipts of assisted concerns;

"(4) increases or decreases in profits of assisted concerns; and

"(5) the employment increases or decreases of assisted concerns.

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $8,000,000 per year to carry out the projects authorized by this section of which for fiscal year 1998 not more than 10 percent may be used for administrative expenses related to the program. Amounts appropriated pursuant to this subsection for fiscal year 1999 and later are to be used exclusively for grant awards and not for costs incurred by the Administration for the management and administration of the program. Notwithstanding any other provision of law, the Administration may use such expedited acquisition methods as it deems appropriate, through the Assistant Administrator of the Office of Women's Business Ownership, to achieve the purposes of this section, except that the Administration shall ensure that all small business sources are provided a reasonable opportunity to submit proposals.".

(b) APPLICABILITY.—Any organization conducting a 3-year project under section 29 of the Small Business Act (15 U.S.C. 656) on the day before the date of enactment of this Act, may extend the term of that project to a total term of 5 years and receive financial assistance in accordance with section 29(c) of the Small Business Act (as amended by this title) subject to procedures established by the Administrator in coordination with the Office of Women's Business Ownership established under section 29 of the Small Business Act (15 U.S.C. 656) (as amended by this title).

SEC. 306. OFFICE OF WOMEN'S BUSINESS OWNERSHIP.

Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

"(j) ASSISTANT ADMINISTRATOR FOR THE OFFICE OF WOMEN'S BUSINESS OWNERSHIP.—

"(1) ESTABLISHMENT.—There is established the position of Assistant Administrator for the Office of Women's Business Ownership (hereafter in this section referred to as the 'Assistant Administrator') who shall serve without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

"(2) RESPONSIBILITIES AND DUTIES.—

"(A) RESPONSIBILITIES.—The responsibilities of the Assistant Administrator shall be to administer the programs and services of the Office of Women's Business Ownership established to assist women entrepreneurs in the areas of—

"(i) starting and operating a small business;

"(ii) development of management and technical skills;

"(iii) seeking Federal procurement opportunities; and

"(iv) increasing the opportunity for access to capital.

"(B) DUTIES.—Duties of the position of the Assistant Administrator shall include—

"(i) administering and managing the Women's Business Centers program;

"(ii) recommending the annual administrative and program budgets for the Office of Women's Business Ownership (including the budget for the Women's Business Centers);

"(iii) establishing appropriate funding levels therefore;

"(iv) reviewing the annual budgets submitted by each applicant for the Women's Business Center program;

"(v) selecting applicants to participate in this program;

"(vi) implementing this section;

"(vii) maintaining a clearinghouse to provide for the dissemination and exchange of information between Women's Business Centers;

"(viii) serving as the vice chairperson of the Interagency Committee on Women's Business Enterprise;

"(ix) serving as liaison for the National Women's Business Council; and

"(x) advising the Administrator on appointments to the Women's Business Council.

"(3) CONSULTATION REQUIREMENTS.—In carrying out the responsibilities and duties described in this subsection, the Assistant Administrator shall confer with and seek the advice of the Administration officials in areas served by the Women's Business Centers.

"(k) PROGRAM EXAMINATION.—

"(1) IN GENERAL.—Not later than 180 days after the date of enactment of this subsection, the Administration shall develop and implement an annual programmatic and financial examination of each Women's Business Center established pursuant to this section.

"(2) EXTENSION OF CONTRACTS.—In extending or renewing a contract with a Women's Business Center, the Administration shall consider the results of the examination conducted pursuant to paragraph (1).

"(l) CONTRACT AUTHORITY.—The authority of the Administration to enter into contracts shall be in effect for each fiscal year only to the extent and in the amounts as are provided in advance in appropriations Acts. After the Administration has entered a contract, either as a grant or a cooperative agreement, with any applicant under this section, it shall not suspend, terminate, or fail to renew or extend any such contract unless the Administration provides the applicant with written notification setting forth the reasons therefore and affording the applicant an opportunity for a hearing, appeal, or other administrative proceeding under chapter 5 of title 5, United States Code.".

TITLE IV—COMPETITIVENESS PROGRAM

SEC. 401. PROGRAM TERM.

Section 711(c) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by striking ", and terminate on September 30, 1997".

SEC. 402. MONITORING AGENCY PERFORMANCE.

Section 712(d)(1) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended to read as follows:

"(1) Participating agencies shall monitor the attainment of their small business participation goals on an annual basis. An annual review by each participating agency shall be completed not later than January 31 of each year, based on the data for the preceding fiscal year, from October 1 through September 30.".

SEC. 403. SMALL BUSINESS PARTICIPATION IN DREDGING.

Section 722(a) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by striking "and terminating on September 30, 1997".

SEC. 404. TECHNICAL AMENDMENT.

Section 717 of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended—

(1) by striking "standard industrial classification code" each time it appears and inserting in lieu thereof "North American Industrial Classification Code"; and

(2) by striking "standard industrial classification codes" each time it appears and inserting in lieu thereof "North American Industrial Classification Codes".

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. SMALL BUSINESS DEVELOPMENT CENTERS.

(a) IN GENERAL.—Section 21(a) of the Small Business Act (15 U.S.C. 648(a)) is amended—

(1) in paragraph (1), by inserting "any women's business center operating pursuant to section 29," after "credit or finance corporation,";

(2) in paragraph (3)—

(A) by striking ", but with" and all that follows through "parties." and inserting the following: "for the delivery of programs and services to the Small Business community. Such programs and services shall be jointly developed, negotiated, and agreed upon, with full participation of both parties, pursuant to an executed cooperative agreement between the Small Business Development Center applicant and the Administration."; and

(B) by adding at the end the following:

"(C) On an annual basis, the Small Business Development Center shall review and coordinate public and private partnerships and cosponsorships with the Administration for the purpose of more efficiently leveraging available resources on a National and a State basis.";

(3) in paragraph (4)(C)—

(A) by striking clause (i) and inserting the following:

"(i) IN GENERAL.—

"(I) MAXIMUM AMOUNT.—Except as provided in clause (ii), and subject to subclause (II) of this clause, the amount of a grant received by a State under this section shall not exceed greater of—

"(aa) $500,000; and

"(bb) the State's pro rata share of a national program, based upon the population of the State as compared to the total population of the United States.

"(II) EXCEPTION.—Subject to the availability of amounts made available in advance in an appropriations Act to carry out this section for any fiscal year in excess of amounts so provided for fiscal year 1997, the amount of a grant received by a State under this section shall not exceed the greater of $500,000, and the sum of—

"(aa) the State's pro rata share of a national program, based upon the population of the State as compared to the total population of the United States; and

''(bb) and $300,000 in fiscal year 1998, $400,000 in fiscal year 1999, and $500,000 in each fiscal year thereafter.''; and

(B) in clause (iii), by striking ''(iii)'' and all that follows through ''1997.'' and inserting the following:

''(iii) NATIONAL PROGRAM.—The national program under this section shall be—

''(I) $85,000,000 for fiscal year 1998;

''(II) $90,000,000 for fiscal year 1999; and

''(III) $95,000,000 for fiscal year 2000 and each fiscal year thereafter.''; and

(4) in paragraph (6)—

(A) in subparagraph (A), by striking ''and'' at the end;

(B) in subparagraph (B), by striking the comma at the end and inserting ''; and''; and

(C) inserting after subparagraph (B) the following:

''(C) with outreach, development, and enhancement of minority-owned small business startups or expansions, veteran-owned small business startups or expansions, and women-owned small business startups or expansions, in communities impacted by base closings or military or corporate downsizing, or in rural or underserved communities;''.

(b) SBDC SERVICES.—Section 21(c) of the Small Business Act (15 U.S.C. 648(c)) is amended—

(1) in paragraph (3)—

(A) in subparagraph (A), by striking ''businesses;'' and inserting ''businesses, including—

''(i) working with individuals to increase awareness of basic credit practices and credit requirements;

''(ii) working with the Administration to develop and provide informational tools for use in working with individuals on pre-business start-up planning, existing business expansion, business plans, financial packages, credit applications, contract proposals, and export planning; and

''(iii) working with individuals referred by the local offices of the Administration and Administration participating lenders;'';

(B) in each of subparagraphs (B), (C), (D), (E), (F), (G), (M), (N), (O), (Q), and (R) by moving each margin two ems to the left;

(C) in subparagraph (C), by inserting ''and the Administration'' after ''Center'';

(D) in subparagraph (Q), by striking ''and'' at the end;

(E) in subparagraph (R), by striking the period at the end and inserting ''; and''; and

(2) in paragraph (5)—

(A) by moving the margin 2 ems to the left;

(B) by striking ''paragraph (a)(1)'' and inserting ''subsection (a)(1)'';

(C) by striking ''which ever'' and inserting ''whichever''; and

(D) by striking ''last,,'' and inserting ''last,'';

(3) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively; and

(4) in paragraph (3), in the undesignated material following subparagraph (S) (as added by this subsection), by striking ''A small'' and inserting the following:

''(4) A small''.

(c) COMPETITIVE AWARDS.—Section 21(l) of the Small Business Act (15 U.S.C. 648(l)) is amended by adding at the end the following: ''If any contract under this section is not renewed or extended, award of the succeeding contract shall be made on a competitive basis.''.

(d) PROHIBITION ON CERTAIN FEES.—Section 21 of the Small Business Act (15 U.S.C. 648) is amended by adding at the end the following:

''(m) PROHIBITION ON CERTAIN FEES.—A small business development center shall not impose or otherwise collect a fee or other compensation in connection with the provision of counseling services under this section.''.

SEC. 502. SMALL BUSINESS EXPORT PROMOTION.

(a) IN GENERAL.—Section 21(c)(3) of the Small Business Act (15 U.S.C. 648(c)(3)) is amended by inserting after subparagraph (R) the following:

''(S) providing small business owners with access to a wide variety of export-related information by establishing on-line computer linkages between small business development centers and an international trade data information network with ties to the Export Assistance Center program.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out section 21(c)(3)(S) of the Small Business Act (15 U.S.C. 648(c)(3)(S)), as added by this section, $1,500,000 for each of fiscal years 1998 and 1999.

SEC. 503. PILOT PREFERRED SURETY BOND GUARANTEE PROGRAM EXTENSION.

Section 207 of the Small Business Administration Reauthorization and Amendment Act of 1988 (15 U.S.C. 694b note) is amended by striking ''September 30, 1997'' and inserting ''September 30, 2000''.

SEC. 504. VERY SMALL BUSINESS CONCERNS.

Section 304(i) of Public Law 103–403 (15 U.S.C. 644 note) is amended by striking ''1998'' and inserting ''2000''.

SEC. 505. EXTENSION OF COSPONSORSHIP AUTHORITY.

Section 401(a)(2) of the Small Business Administration Reauthorization and Amendments Act of 1994 (15 U.S.C. 637 note) is amended by striking ''September 30, 1997'' and inserting ''September 30, 2000''.

SEC. 506. TRADE ASSISTANCE PROGRAM FOR SMALL BUSINESS CONCERNS HARMED BY NAFTA.

The Small Business Administration shall coordinate assistance programs currently administered by the Administration to counsel small business concerns harmed by the North American Free Trade Agreement to aid such concerns in reorienting their business purpose.

TITLE VI—SERVICE DISABLED VETERANS

SEC. 601. PURPOSES.

The purposes of this title are—

(1) to foster enhanced entrepreneurship among eligible veterans by providing increased opportunities;

(2) to vigorously promote the legitimate interests of small business concerns owned and controlled by eligible veterans; and

(3) to ensure that those concerns receive fair consideration in purchases made by the Federal Government.

SEC. 602. DEFINITIONS.

For purposes of this title, the following definitions apply:

(1) ADMINISTRATION.—The term ''Administration'' means the Small Business Administration.

(2) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Small Business Administration.

(3) ELIGIBLE VETERAN.—The term ''eligible veteran'' means a disabled veteran, as defined in section 4211(3) of title 38, United States Code.

(4) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY ELIGIBLE VETERANS.—The term ''small business concern owned and controlled by eligible veterans'' means a small business concern (as defined in section 3 of the Small Business Act)—

(A) which is at least 51 percent owned by 1 or more eligible veteran, or in the case of a publicly owned business, at least 51 percent of the stock of which is owned by 1 or more eligible veteran; and

(B) whose management and daily business operations are controlled by eligible veterans.

SEC. 603. REPORT BY SMALL BUSINESS ADMINISTRATION.

(a) STUDY AND REPORT.—Not later than 6 months after the date of the enactment of this Act, the Administrator shall conduct a comprehensive study and issue a final report to the Committees on Small Business of the House of Representatives and the Senate containing findings and recommendations of the Administrator on—

(1) the needs of small business concerns owned and controlled by eligible veterans;

(2) the availability and utilization of Administration programs by small business concerns owned and controlled by eligible veterans;

(3) the percentage, and dollar value, of Federal contracts awarded to small business concerns owned and controlled by eligible veterans in the preceding 5 fiscal years; and

(4) methods to improve Administration and other programs to serve the needs of small business concerns owned and controlled by eligible veterans.

The report also shall include recommendations to Congress concerning the need for legislation and recommendations to the Office of Management and Budget, relevant offices within the Administration, and the Department of Veterans Affairs.

(b) CONDUCT OF STUDY.—In carrying out subsection (a), the Administrator—

(1) may conduct surveys of small business concerns owned and controlled by eligible veterans and service disabled veterans, including those who have sought financial assistance or other services from the Administration;

(2) shall consult with the appropriate committees of Congress, relevant groups and organizations in the non-profit sector, and Federal or State government agencies; and

(3) shall have access to any information within other Federal agencies which pertains to such veterans and their small businesses, unless such access is specifically prohibited by law.

SEC. 604. INFORMATION COLLECTION.

After the date of issuance of the report required by section 603, the Secretary of Veterans Affairs shall, in consultation with the Assistant Secretary for Veterans' Employment and Training and the Administrator, engage in efforts each fiscal year to identify small business concerns owned and controlled by eligible veterans in the United States. The Secretary shall inform each small business concern identified under this section that information on Federal procurement is available from the Administrator.

SEC. 605. STATE OF SMALL BUSINESS REPORT.

Section 303(b) of the Small Business Economic Policy Act of 1980 (15 U.S.C. 631b(b)) is amended by striking ''and female-owned businesses'' and inserting '', female-owned, and veteran-owned businesses''.

SEC. 606. LOANS TO VETERANS.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by inserting after paragraph (7) the following:

''(8) The Administration is empowered to make loans under this subsection to small business concerns owned and controlled by disabled veterans. For purposes of this paragraph, the term 'disabled veteran' shall have the meaning such term has in section 4211(3) of title 38, United States Code.''.

SEC. 607. ENTREPRENEURIAL TRAINING, COUNSELING, AND MANAGEMENT ASSISTANCE.

The Administrator shall take such actions as may be necessary to ensure that small business concerns owned and controlled by eligible veterans have access to programs established under the Small Business Act which provide entrepreneurial training, business development assistance, counseling, and management assistance to small business concerns. Such programs include the Small Business Development Center, Small Business Institute, Service Corps of Retired Executives (SCORE), and Active Corps of Executives (ACE) programs.

SEC. 608. GRANTS FOR ELIGIBLE VETERANS OUTREACH PROGRAMS.

Section 8(b) of the Small Business Act (15 U.S.C. 637(b)) is amended—

(1) by striking "and" at the end of paragraph (15);

(2) by striking the period at the end of the first paragraph (16) and inserting "; and";

(3) by striking the second paragraph (16); and

(4) by adding at the end the following new paragraph:

"(17) to make grants to, and enter into contracts and cooperative agreements with, educational institutions, private businesses, veterans' nonprofit community-based organizations, and Federal, State, and local departments and agencies for the establishment and implementation of outreach programs for disabled veterans, as defined in section 4211(3) of title 38, United States Code.".

SEC. 609. OUTREACH FOR ELIGIBLE VETERANS.

The Administrator, the Secretary of Veterans Affairs, and the Assistant Secretary of Labor for Veterans' Employment and Training shall develop and implement a program of comprehensive outreach to assist eligible veterans. Such outreach shall include business training and management assistance, employment and relocation counseling, and dissemination of information on veterans benefits and veterans entitlements.

TITLE VII—SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM

SEC. 701. AMENDMENTS.

Section 9 of the Small Business Act (15 U.S.C. 638) is amended—

(1) in subsection (b)(7), by inserting ", and the Committee on Science" after "of the Senate";

(2) in subsection (e)(4)(A) by striking "(ii)";

(3) in subsection (e)(6)(B), by inserting "agency" after "to meet particular";

(4) in subsection (n)(1)(C), by striking "and 1997" and inserting in lieu thereof "through 2000";

(5) in subsection (o)—

(A) by redesignating paragraphs (8) through (11) as paragraphs (10) through (13), respectively; and

(B) by inserting after paragraph (7) the following new paragraphs:

"(8) include, as part of its annual performance plan as required by section 1115(a) and (b) of title 31, United States Code, a section on its STTR program, and shall submit such section to the Committee on Small Business of the Senate, and the Committee on Science and the Committee on Small Business of the House of Representatives;

"(9) collect such data from awardees as is necessary to assess STTR program outputs and outcomes;"; and

(6) by adding at the end the following new subsections:

"(s) OUTREACH PROGRAM.—Within 90 days after the date of the enactment of this subsection, the Administrator shall develop and begin implementation of an outreach program to encourage increased participation in the STTR program of small business concerns, universities, and other research institutions located in States in which the total number of STTR awards for the previous 2 fiscal years is less than 20.

"(t) INCLUSION IN STRATEGIC PLANS.—Program information relating to the SBIR and STTR programs shall be included by Federal agencies in any updates and revisions required under section 306(b) of title 5, United States Code.".

AMENDMENT NO. 1543

(Purpose: To provide a complete substitute)

Mr. BOND. Mr. President, I move to concur in the House amendment with an amendment which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes an amendment numbered 1543.

(The text of the amendment is located in today's RECORD under "Amendments Submitted.")

Mr. BOND. Mr. President, I advise my colleagues that after long negotiations, I think we have reached an agreement on the measure to reauthorize the Small Business Administration for the next 3 fiscal years to continue vitally important programs and to add new programs which we think will be of significant benefit to our country. The measure before us now is similar to the bill we passed in early September, and it includes changes passed by the House of Representatives.

The negotiations have been very detailed, and we think if we can get to passage of this measure on the House side prior to the adjournment for the remainder of the calendar year that our Nation's small businesses will be greatly aided by this bill.

There are certain programs in the Small Business Administration that need to be reauthorized, and that cannot occur without this legislation. Some of the loan programs will continue even without the reauthorization, but the Small Business Technology Transfer Program, known as STTR, the Microloan Program, the 504 Loan Program, the Small Business Competitiveness Demonstration Program, and SBA's cosponsorship authority will expire if there is no reauthorization passed and signed by the President.

In addition, the measure that we passed unanimously in early September includes provisions relating to the very important issue of bundling of large Federal contracts. The bill adds a new outreach program for disabled veterans. It also includes significant changes in the Microloan Program, which was a top priority of Senator KERRY and others. The bill contains my HUBZones Program which is designed to encourage small businesses to provide welfare-to-work opportunities in inner cities and in rural areas of high unemployment by providing small business contracts set-asides in HUBZones, which are historically underutilized business zones marked by high rates of poverty and high rates of unemployment. We believe the HUBZone Program can do a tremendous amount to assist us in the goal which I think is generally agreed upon around here, and that is to provide more opportunities for people who need want to move from welfare or dependency upon public assistance to gainful employment.

Mr. President, I am very pleased that we can accomplish passage of this important legislation today. We hope that the House will move on it expeditiously next week so that we can get the measure to the President for his signature before we adjourn for the year.

Mr. President, I ask unanimous consent that a joint explanatory statement describing this bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JOINT EXPLANATORY STATEMENT

The bill establishes authorizations of appropriation for programs of the Small Business Administration, creates a new program, and makes a number of changes in existing programs.

TITLE I: AUTHORIZATIONS

In Title I, the bill authorizes appropriations for SBA's several business loan programs and for certain business development programs for Fiscal Years 1998, 1999, and 2000. Included among the loan programs are section 7(a) loan guarantees, 7(a)(21) defense conversion loan guarantees, Microloans, Small Business Investment Company (SBIC) debentures, and SBIC Participating Securities. Also included in this Title is a "such sums as may be necessary" authorization of appropriations for SBA business and homeowner disaster loans, which are direct loans made to individuals and businesses in communities which have been affected by natural disasters.

Except for disaster loan funding, the authorization levels with respect to funding for SBA loan programs, and certain business development programs, are set forth in the following chart.

Program Levels for SBA Reauthorization Bill

[In millions]

Program	Current Level		SBA 3 Year Authorization Request			Reauthorization Bill		
	FY 97	FY 98 Budget Request	1998	1999	2000	1998	1999	2000
7(a)	$10.3	$8.5	$10	$11	$13	$12,000	$13,000	$14,500
504	2.65	2.3	3	3.5	4.5	3,000	3,500	4,500
SBIC:								
Debentures	300	376	450	550	650	600	700	800
Participating Securities	410	456	600	700	850	700	800	900
Microloan:								
Technical Assistance	13	16.5	42	65.8	86.7	40	40	40

Program Levels for SBA Reauthorization Bill—Continued

[In millions]

Program	Current Level		SBA 3 Year Authorization Request			Reauthorization Bill		
	FY 97	FY 98 Budget Request	1998	1999	2000	1998	1999	2000
Direct Loans	24	19	60	60	60	60	60	60
Guaranteed Loans	19	25	40	40	40	40	40	40
Delta	48	88	1	1	1,000	1,000	1,000	1,000
Surety Bond Guarantee	1,800	1,700						
General Program	N/A	N/A	1,350	1,350	1,350	1,350	1,350	1,350
Preferred Program	N/A	N/A	650	650	650	650	650	650
SCORE	3.3	3.5	3.9	4.2	4.5	4	4.5	5
SBDC Base Closure Assistance	2		15	15	15	15	15	15
Women's Business Centers	4	4	4	4	4	8	8	8

TITLE II: FINANCIAL ASSISTANCE PROGRAMS

Subtitle A—Microloan Program

Section 201. Microloan Program.

The bill authorizes the direct microloan program, including the technical assistance grants, as a permanent program and extends the guaranteed microloan program through Fiscal Year 2000. In doing so, the Congress recognizes the effectiveness of these programs and the integral role they play in SBA's array of small business financial assistance programs. In order to maintain the financial integrity and success of the programs, including the welfare-to-work microloan initiative authorized by section 202 of this bill, SBA should continue to administer the programs through its offices charged with management and oversight of small business finance programs.

The bill makes a number of changes to the permanent program, including: 1) increases the loan limit for each intermediary under the microloan program from $2,500,000 to $3,500,000; 2) changes the loan loss reserve requirements for an experienced microloan intermediary to the greater of twice its historic loss rate or 10 percent of its outstanding loan balance; 3) increases from 15 percent to 25 percent the percentage of a technical assistance grant that may be used for microloan program participants prior to their receipt of a microloan; and 4) authorizes up to 25 percent of the technical assistance grants to be used for contracting with third parties to provide assistance to microborrowers.

Section 202. Welfare-to-Work Microloan Initiative.

The bill establishes a Welfare-to-Work Microloan Initiative, a three-year initiative to test the feasibility of providing supplemental grants to existing microloan intermediaries and technical assistance providers specifically targeted to helping individuals leave public assistance and establish their own businesses. While this initiative is not expected to be appropriate for all individuals seeking to leave public assistance, testimony before the Senate Committee indicated that in the state of Iowa microloan technical assistance has been one useful tool for assisting some in this population to establish small businesses. By authorizing 20 locations to target the welfare population, this initiative is intended to test the effectiveness of this tool in all regions of the country. The bill requires an annual evaluation of the initiative and its effectiveness in moving individuals from public assistance to business ownership.

The bill also authorizes supplemental grants to be used, at the discretion of the intermediary or technical assistance provider, to pay all or a portion of the child care or transportation costs of an individual participating in this initiative. These costs are often identified as the highest barriers to the employment of welfare recipients. To encourage the creation of small businesses in these key areas, the bill authorizes the microloan program to assist individuals who are starting or operating a for-profit or nonprofit child care establishment or a for-profit transportation business.

The bill authorizes SBA to fund the supplemental microloan technical assistance grants solely through transfers by cooperative agreements with other Federal departments or agencies which have appropriated funds for the purpose of moving individuals from public assistance to employment. The Small Business Administration is authorized to receive $3 million for Fiscal Year 1998, $4 million for Fiscal Year 1999, and $5 million for Fiscal Year 2000 for the welfare-to-work microloan initiative.

Subtitle B—Small Business Investment Company Program

Section 211. Five Year Commitments for SBICs at Option of Administrator.

The bill gives the Administrator of SBA authority to make five year leverage commitments for SBICs. This new authority is designed to assist SBICs in raising private capital, which is matched with government guaranteed capital to be invested in small businesses. By allowing SBA to approve five year commitments, an SBIC will be able to obtain leverage commitments based on its typical investment pattern, which normally allows for all investments to be made during the first five years of the SBIC's life-cycle.

Section 212. Fees.

The bill includes a provision to permit SBA to collect fees from applicants for a license under the SBIC Program. It permits SBA to retain these funds to offset its overhead to conduct a review of each applicant.

Section 213. Small Business Investment Company Reform.

(a) Bank Investments

This subsection modifies the Small Business Investment Act of 1958 to allow banks to continue to invest in SBICs, whether the SBIC is organized as a corporation, partnership, or limited liability company. This provision expressly permits banks to invest in entities established to invest solely in SBICs, with no requirement that such entities be registered investment companies. Currently, the Small Business Investment Act only provides that banks may purchase stock from SBICs; however, many SBICs are now organized as limited liability companies and partnerships which do not have stock, and some banks may want to structure their SBIC investments through a separately managed "fund of funds" to diversify among several different SBICs. This provision will permit such investments.

(b) Leverage Cap

Section 213 provides for a $90 million cap on leverage to an individual SBIC or multiple SBICs under common control to be adjusted annually for inflation. Under this subsection, recipients of leverage in excess of $90 million would agree to invest all leverage obtained above this cap in "smaller businesses," which are defined as small businesses having $2 million or less in revenues and $6 million or less in net worth. The $90 million cap will be adjusted annually for inflation.

(c) Tax Distributions

Because the majority of the SBICs are partnerships, this subsection permits SBICs to make quarterly distributions to its investors (i.e., partners) to meet the investors' tax obligations. This quarterly distribution is designed to cover the situation where investors are making quarterly tax payments to the Federal government. If the SBIC's tax liability is not as great as estimated, the quarterly tax distributions are applied to the following tax year.

(d) Leverage Fee

Under this subsection, SBICs will be required to pay a 1 percent commitment fee at the time SBA makes a commitment for leverage, and the balance of 2 percent will be paid on the amount of leverage as it is periodically drawn by the SBIC. If SBA made no prior commitment to the SBIC for leverage, the entire 3 percent fee is paid at the time that leverage is drawn by the SBIC.

(e) Periodic Issuance of Guarantees and Trust Certificates

Subsection (e) will permit SBA to pool and sell debentures to investors every six months. This is a change from current law which requires SBA to pool and sell debentures every three months. Current law has caused difficulties for SBA in producing sufficiently large and diverse pools of debentures that are most attractive to investors. This change will allow for large pools, which should generate greater investment interest and more favorable interest rates for SBICs. Under this subsection, SBA will retain the discretion to pool and sell debentures more frequently, if there is sufficient demand.

Section 214. Examination Fees.

This section would permit SBA to collect fees from SBICs to defray costs for SBA to conduct periodic examinations of SBICs. It is the intention of the Conferees that these funds be available to SBA solely to cover the costs of the examinations and other related oversight activities.

Subtitle C—Certified Development Company Program

Section 221. Loans for Planned Acquisition, Construction, Conversion, and Expansion

The bill permits a borrower under the 504 Program to lease out 20 percent of the project to one or more other tenants. This new authorization will allow the 504 borrower to attract an unaffiliated tenant to its

project that would complement the borrower's business activity. The bill also permits the seller to provide partial financing to the 504 borrower, so long as the seller subordinates its interest in the property to that of the SBA. The seller's financing is limited to no more than 50 percent of the equity that must be provided to the project by the borrower.

Section 222. Development Company Debentures

The bill permits SBA to collect a fee of up to 15/16ths of 1 percent fee through Fiscal Year 2000, paid by the 504 borrower annually on the outstanding principal owed on the loan guaranteed by SBA. The bill directs that the fee paid by the 504 borrower be reduced by SBA in an amount to insure that excessive fees are not collected by SBA from 504 borrowers if the credit subsidy rate is reduced.

Section 223. Premier Certified Lenders Program

The bill expands the Premier Certified Lenders Program by repealing the current limit of 15 CDCs that can participate under the program. The responsibilities of a PCLP participant are expanded to include in addition to approving loans, authorizing, closing, servicing, foreclosing, litigating and liquidating loans. The bill recognizes that the Administration has a legitimate oversight interest in law suits to which a premier certified lender is a party. The bill anticipates that SBA will interject its views on a case of first impression or other litigation of a precedent setting nature and may request a litigation plan to evaluate the litigation strategy of the PCLP participant. In addition, the bill extends eligibility for the PCLP Program once a CDC has been an active participant in the accredited lenders program during the 12 month period preceding the date the CDC submits its application.

The bill modifies current law that requires the premier lender to maintain a loss reserve of 10 percent of the CDCs exposure. SBA is directed to review CDCs on a regular basis to confirm that those with loan loss rates greater than 10 percent do not expose the Federal government to a risk of loss. SBA should take appropriate steps to insure that CDCs with loss rates in excess of 10 percent do not pose a risk of loss to the government.

The bill permits the premier lenders to maintain their loss reserves using segregated funds on deposit in federally insured institutions, or they can provide irrevocable letters of credit in a format acceptable to the SBA. If a loss has been sustained by the SBA, and funds are disbursed from the loss reserve to reimburse SBA for the CDC's share of the loss, the CDC must replenish the reserve account within 30 days.

The bill provides that each premier lender is to establish a goal of processing not less than 50 percent of their loan applications under the PCLP and extends the program through October 1, 2000. With respect to the processing goal, the Congress intends the goal as a target only, and expects Community Development Companies to use prudent judgment at all times in determining which applications are appropriate for processing under the streamlined PCLP procedures. This judgment should not be influenced by the 50 percent goal. The bill also requires SBA to promulgate regulations to carry out these changes within 120 days of enactment of this bill. Within 150 days after the date of enactment of this bill, SBA is to issue program guidelines and fully implement changes contained in this section.

7(a) Guaranteed Business Loan Program

The bill authorizes SBA to conduct background "name" checks on all prospective 7(a) and 504 borrowers using the best available means possible, including the Federal Bureau of Investigation, National Crime Information Center (NCIC), computer system if it is available. Although the presence of a criminal record does not act as an absolute bar to participation in the SBA's loan programs, the Congress is concerned that persons convicted of fraud, embezzlement, and similar crimes may have access to SBA loans. Congress is also concerned that, in conducting these checks, undue delay in loan approvals will be detrimental to small business borrowers and to the programs' viability. In implementing this authority, the SBA should explore the effectiveness of a sampling methodology provided that all prospective borrowers are required to provide the information necessary to enable such a check to be conducted.

The bill directs SBA to undertake a study on its efforts to increase lender approval, servicing, foreclosure, liquidation and litigation of 7(a) loans and to report to the Congress within six months of enactment of this Act.

The bill includes a requirement that SBA submit a detailed report to the Congress and the General Accounting Office on its plans for installation of a computerized financial tracking and loan monitoring system. SBA is directed to report to the House and Senate Committees on Small Business and the General Accounting Office within six months of the enactment of this Act. No funds can be obligated or spent on this system until 45 days after the report is received by the Committees and GAO.

TITLE III: WOMEN'S BUSINESS ENTERPRISES

Title III addresses the non-credit programs that serve women who own or seek to start their own business.

Section 301. Interagency Committee Participation

The bill provides that each designee to the Interagency Committee report directly to the head of their respective agency on the status of the Interagency Committee's activities.

The bill does not authorize appropriations to support the activities of the Interagency Committee. The agencies and departments on the Interagency Committee are to allocate existing personnel and resources to support participation on the Interagency Committee.

Section 302. Reports

The bill directs the Interagency Committee to transmit its annual report to Congress and the President through the SBA. This section deletes the requirement that the Interagency Committee's report include recommendations from the National Women's Business Council and requires that the report address the Committee's efforts to meet its statutory duties.

Section 303. Duties of the National Women's Business Council

In order to remove an inconsistency in current law, the bill directs the National Women's Business Council to submit its recommendations and reports to the Administrator of the SBA through the Assistant Administrator for the Office of Women's Business Ownership. The bill requires the Council to report annually to Congress and the President, and it must include a status report on the Council's efforts to fulfill its duties under sections 406 (a) and (d) of the Small Business Act.

Section 304. Council Membership

Under the bill, the SBA Administrator is to appoint the Council members after reviewing the recommendations of the Chairmen and Ranking Minority Members of the Committees on Small Business in the Senate and House of Representatives. The Administrator shall give full consideration to the recommendations provided by the Chairmen and Ranking Minority Members. This is to enhance the Council's ability to fulfill its role as an independent advisory body to the Congress, the President and the Administrator through the Assistant Administrator of the Office of Women's Business Ownership. The bill establishes staggered terms for the Council members.

The bill expands the Council to 14 members, plus a chair who should be a prominent business woman appointed by the President. Under current law, there are nine members (four business owners and five women's business organizations' representatives). The bill increases the number of women business owners to eight and increases the number of representatives of women's business organizations to six and includes language expressly recognizing that this category is to include representatives of local Women's Business Centers. The bill removes the word "national" as a qualifier for the type of organizations that can be represented on the Council. The bill also directs the SBA Administrator to give appropriate consideration to rural versus urban diversity when selecting Council members.

Section 305. Authorization for Appropriations.

The bill authorizes the appropriation of $600,000 for Fiscal Years 1998 through 2000 with $200,000 targeted for research on women's procurement and finance issues as authorized in section 306 and 307. Any funds appropriated under this section are to be used solely for the activities and duties of the Council, and the Council is required to review and approve its operating and research budget each year.

Prior to funds being appropriated for research under section 307, the Council shall provide the Senate and House Committees on Small Business with a description of the proposed research study and resulting report. Such proposals are to be delivered to the Committees with SBA's annual budget request.

Section 306. National Women's Business Council Procurement Project.

The bill authorizes the National Women's Business Council to conduct a study of issues related to Federal procurement opportunities for businesses controlled and owned by women.

Although women-owned business now represent over ⅓ of all businesses, they receive a minute share of Federal procurement dollars. In 1994, the Federal Acquisition Streamlining Act (FASA) established a modest government-wide goal of 5 percent for Federal contracts being awarded to women-owned businesses. The study directed by this bill is to gain a greater understanding of the Federal government's poor performance in working with this growing sector. Specifically, the National Women's Business Council is to conduct a study of the Federal government's procurement history in attracting and awarding contracts to women-owned business using existing data collected by agencies. The bill also requires the National Women's Business Council to prepare a report on the best procurement practices of the Federal government and the commercial sector and to recommend policy changes.

The bill provides contract authority to the Council to carry out the research initiatives and resulting reports authorized under sections 306 and 307. All contracts shall be

awarded in accordance with the Federal Acquisition Regulations.

Section 307. Studies and Other Research.

Upon completion of the Federal procurement study under section 306, the Council is authorized to conduct other research relating to the award of Federal prime contracts and subcontracts to women-owned businesses, and access to credit and investment capital by women entrepreneurs, as the Council determines to be appropriate.

Section 308. Women's Business Centers.

The bill increases the authorization for creating Women's Business Centers (previously called Women's Business Demonstration Sites) from $4 million per year to $8 million per year. Grantees awarded funds under this section will be eligible to receive funds for five years rather than three years as provided under current law. Changes to the matching funds requirement as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5
Current law	1 non-Federal; 2 Federal	1 non-Federal; 1 Federal	2 non-Federal; 1 Federal	No funds	No funds
Reauthorization	1 non-Federal; 2 Federal	1 non-Federal; 2 Federal	1 non-Federal; 1 Federal	1 non-Federal; 1 Federal	2 non-Federal; 1 Federal

The bill provides that grantees conducting a 3 year program as of the day before the effective date of this bill may apply to SBA to receive funds for two additional years. Such Centers that were in year 3 of a 3 year project on September 30, 1997 and that are approved to receive funds in years 4 and 5 will be subject to the matching requirements applicable to year 5 under this bill. The Congress intends that Centers which have a history of successful operation in this program receive funds to continue for years 4 and 5.

The bill includes language providing a definition of "women's business center site." This language reflects the fact that existing Women's Business Centers may submit applications for grants to create new sites in their state or neighboring states; however, selection must be made in accordance with the criteria provided in the Act.

The bill also includes a list of duties and responsibilities of the Assistant Administrator for the Office of Women's Business Ownership, and upgrades the position of Assistant Administrator for the Office of Women's Business Ownership to a position in the Senior Executive Service.

The bill includes language to codify the practice of allowing Women's Business Center grant recipients to pursue other sources of Federal funds. Accordingly, funds received from other Federal agencies do not qualify as non-Federal funds under the matching funds requirement of this section. The additional funds obtained by a Women's Business Center do not effect the level of non-Federal funds required to receive its Federal funds under this section. In addition, the performance of other Federal contracts shall not hinder the ability of the Women's Business Center grantee from fulfilling its obligations under this section.

The bill amends the criteria for selecting grant applicants under this section to include the "location for the Women's Business Center site." This language is to ensure that preference be given to applications for states without existing Centers. SBA should allocate at least ⅛ of the funds appropriated each year to the creation of new sites, with preference given to those in states not having a Center.

On the use of appropriated funds, the bill expressly prohibits the use of the funds appropriated under this section for any purposes other than grant awards, except that, in Fiscal Year 1998 only, up to 5 percent of the funds appropriated under this section are authorized to be used to supplement funds in SBA's salaries and expense budget for the administration of this program. No funds appropriated under this section may be reprogrammed by SBA or used for programs authorized by any other section of this Act without first notifying Congress. SBA needs to change its practice of using funds appropriated under this section for personnel and administrative overhead. SBA should include in its Fiscal Year 1999 budget request a line item in the salaries and expenses budget to reflect the actual cost of administering this important program. To assist with Congressional oversight, the SBA is directed to provide the Senate and House Committees on Small Business with a quarterly accounting within 20 days of the end of the Fiscal Year quarter detailing all expenditures for the Women's Business Centers program in Fiscal Years 1998, 1999, and 2000. In Fiscal Year 1998, the report shall identify whether each expenditure was funded by appropriated grant funds or SBA's salaries and expense budget.

In Fiscal Year 1998, up to 5 percent of the funds appropriated for Women's Business Center grants can be used only for administrative expenses associated with: (a) continued development and implementation of the computerized data reporting and collection system; (b) selection and oversight of the grantees; and (c) holding a training seminar for new grantees and existing programs. All other administrative costs are to come from the agency's salaries and expenses budget.

SBA is directed to: (a) award the contract for the computer data system competitively; (b) ensure that the Office of Women's Business Ownership has sufficient personnel dedicated to the oversight of the program by expanding the number of full time staff dedicated to this program to at least two and by better utilizing the District Office staff; and (c) ensure that the seminar is truly educational in nature, with any travel, per diem, and other overhead expenses for SBA staff paid from the salaries and expenses budget.

The computer data system should be designed to track outcomes, such as those named in the statute to be contained in the annual report to the Committees on the effectiveness of the program. The contractor should (a) provide technical assistance to ensure that the Centers know how to use the system and (b) work with a representative group of Centers to ensure that the system is compatible with their activities.

TITLE IV: COMPETITIVENESS PROGRAM

Subtitle A—Small Business Competitiveness Program

Section 401. Program Term.

The bill amends the Small Business Competitiveness Demonstration Program Act of 1988 to make the program permanent.

Section 402. Monitoring Agency Performance.

The bill contains a provision to change the monitoring and reporting frequency from quarterly to annual (October 1 through September 30).

Section 403. Reports to Congress.

The bill amends section 716(a) of Small Business Competitiveness Demonstration Program Act of 1988, to assure that annual reports are submitted to the House and Senate. The bill also amends the Act to require the Small Business Administration be the Executive Agency responsible for the development and submission of the annual report and not the Office of Federal Procurement Policy. The bill also makes a technical amendment to the Act to correctly reflect the name of the House of Representatives Committee to receive the report from the "Committee on Governmental Operations" to the "Committee on Government Reform and Oversight."

Section 404. Small Business Participation in Dredging.

The bill makes this program permanent.

The bill recognizes that a transition from the standard industrial classification (SIC) code to the North American Industrial Classification Code (NAICC) is likely to occur in the future; however, the Small Business Administration (SBA) first needs to convert the small business size standards to the new code and the Federal Procurement Data System must also be converted to the NAICC. The Senate Committee on Small Business encourages the Administrator of SBA, the Administrator of the Office of Federal Procurement Policy (OFPP) and the Secretary of the Department of Commerce to develop a plan and time table for implementing the NAICC.

Subtitle B—Small Business Procurement Opportunities Program

Section 411. Contract Bundling.

Section 411 amends section 2 of the Small Business Act (15 U.S.C. 632) emphasizing Congressional policy to provide small businesses, to the maximum extent practicable, prime contracting and subcontracting opportunities and to eliminate obstacles to their participation and to avoid unnecessary and unjustified bundling of contract requirements.

Section 412. Definition of Contract Bundling.

The bill amends section 3 of the Small Business Act (15 U.S.C. 632) to define the terms "bundling of contract requirements," "bundled contract" and "separate smaller contract."

Section 413. Assessing Proposed Contract Bundling.

The bill amends section 15 of the Small Business Act (15 U.S.C. 644) to create a new subsection (e) which establishes the procedure to be followed by contracting officials to insure that small business concerns are afforded the maximum practicable opportunity to compete for prime contracting and subcontracting opportunities. Specifically, the bill directs that if a requirement could lead to a "bundled requirement" the agency shall conduct market research to determine whether consolidation is necessary and justified.

Section 413 encourages small businesses to form contract teams to compete for bundled requirements and provides that such a team will not affect a business's status as a small business concern for any other purpose. In establishing a contract teaming authority which amends SBA's small business affiliation rules, Congress recognizes that some types of affiliation should not disqualify a small business from participating in Federal procurement programs established to encourage small business contracting. Similarly, Congress directs SBA to study the appropriateness of changing the small business

affiliation rules for instances of investments by another entity if no other indicia of control or negative control is evident. In the teaming provisions of the bill and the previous legislation authorizing an exception to the size rules for investments by an SBIC or any one of a range of professional investors. Congress has recognized certain situations which should be encouraged and should not disqualify an entity from small business status. The Agency should report to the Committees on Small Business on its findings by April 30, 1998, which will enable the Congress to address the issue legislatively if necessary.

The ability of small businesses to team with other small businesses should not be considered an opportunity for procurement officials to justify a decision to bundle one or more requirements. The justification for bundling must be based solely on savings, improvements, and enhancements that accrue to the agency and that overwhelm any infringement of small business opportunity. The mere fact that small businesses could or might team does not lower the burden for agency justification of bundling.

The bill also amends section 15 of the Small Business Act (15 U.S.C. 644(a)) to direct that the Small Business Administration procurement review procedures shall be required if a solicitation involves an unnecessary or unjustified bundling of contract requirements. Nothing in this section or section 412 is intended to amend or change in any way the existing obligations imposed on a procurement activity or the authority granted the Small Business Administration under section 15(a) of the Small Business Act.

Section 414. Reporting of Bundled Contract Opportunities.

Section 414 contains a requirement that Federal agencies report through the Federal Procurement Data System all contract actions involving bundled requirements with an anticipated contract award value exceeding $5,000,000.

Section 415. Evaluating Subcontract Participation in Awarding Contracts.

The bill adds a new substitute section 8(d)(4) of the Small Business Act (15 U.S.C. 637(d)(4)) to require that bundled contract requirements to be awarded pursuant to the negotiated method of procurement shall use the contractor's small business subcontracting plan and past small business subcontracting performance as to significant factors for the purposes of evaluating offers.

Section 416. Improved Notice of Subcontracting Opportunities.

The bill amends section 8 of the Small Business Act (15 U.S.C. 637) to allow prime contractors and subcontractors (at any tier) with an estimated subcontracting opportunity in excess of $10,000 to provide public notice of subcontracting opportunities through the Commerce Business Daily.

Section 417. Deadlines for Issuance of Regulations.

The bill requires that proposed implementing regulations be published not later than 120 days after the date of enactment and that final regulations be published not later than 270 days after the date of enactment.

TITLE V: MISCELLANEOUS PROVISIONS

Small Business Technology Transfer

Section 501. Small Business Technology Transfer Program.

The bill reauthorizes the STTR program through Fiscal Year 2001 and makes three changes to the program: (1) extends SBA's reporting requirements on the program to include the House Committee on Science and Technology; (2) directs any Federal agency participating in the Small Business Innovation Research (SBIR) program or STTR to include information relating to such participation in its requirements under the Government Performance and Results Act (GPRA); and (3) directs SBA to conduct outreach to states with low levels of participation in the STTR program.

The new "outreach program" is intended to increase the STTR grant application pool from which STTR grant applications are selected by increasing the number of applicants from states that received under $5,000,000 in awards during Fiscal Year 1995. The program is intended to improve the overall number and quality of applications for awards.

The authorization contained in this section shall be taken entirely from funds authorized for use by the Small Business Administration. No funding derived from the STTR agency research set-aside may be used for the outreach program.

In addition, the bill adds a new subsection that requires STTR and SBIR programs to be included in agencies' strategic plan updates required under the Government Performance and Results Act (5 U.S.C. 306 (b)).

Small Business Development Centers

Section 502. Small Business Development Centers.

The bill includes substantial increases in the authorized grant amounts available to SBDCs under the "National Program." Because the funds under the program are allocated on a population basis some states with small populations, but which are large geographically, have been receiving too small a Federal grant to serve adequately its small business population. In order to correct this inequity, the bill includes a minimum grant amount of $500,000 for the smaller population states. So long as a state provides a matching amount of non-Federal funds, it will receive $500,000 even if it would not otherwise be entitled to this amount under the "National Program." Similarly, if a state provides a matching amount of less than $500,000, it will receive a grant in the amount of the matching contribution.

The Congress views the non-Federal matching contribution requirement to be an essential attribute of this program and a key to its success. Therefore, if any state is unable to match the full $500,000 authorized in this bill as a funding floor, it should be funded up to the level that it is able to match.

The Committee urges the Small Business Development Centers to inform and assist small businesses in complying with energy, safety, labor, tax, and related Federal, state, and local regulations, and to work with the technical and environmental compliance assistance programs established in each state under section 507 of the Clean Air Act Amendments of 1990 or state pollution prevention programs to work with Small Business Development Centers to inform and assist small businesses in complying with environmental regulations.

Section 505. Asset Sales.

Section 505 directs SBA to provide the Committees on Small Business of the Senate and House of Representatives with copies of the draft and final plans describing its initiative to sell its portfolio of defaulted guaranteed loans and direct loans in Fiscal Years 1998 and 1999. It is the understanding of the Committee that SBA intends to conduct an initial sale of $100 million from the Disaster loan portfolio. We expect the Agency to provide the Committees with copies of preliminary plans at the time they are prepared for evaluation by SBA, as sell as any amended or final plans chosen by SBA to carry out the sales of the assets covered by this program and copies of reports analyzing the results of each sale.

Oversight of Regulatory Enforcement

P.L. 104–121 established the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Enforcement Fairness Boards. The Ombudsman's primary responsibilities are to solicit and record comments from small businesses and compile an evaluation, similar to a "customer satisfaction" rating, of each agency's performance based on the comments received from small businesses and the Fairness Boards. A "report card" of these agency ratings is to be published each year.

The Fairness Boards, composed of five small business owners in each of the SBA's ten regions, provide small businesses with an opportunity to review and assess government agencies' enforcement activities involving small businesses. The Fairness Boards may hold hearings, gather information as appropriate, and offer recommendations and comments on agency enforcement policies and practices to the Ombudsman for inclusion in his report. The Ombudsman is the federal official designated to assist the Fairness Boards by coordinating their independent activities. The Ombudsman is directed under the law to include their advice and recommendations in his reports to the agencies and Congress.

The Ombudsman must pursue its statutory mission and allocate its resources in accordance with the priorities set forth in the statute. Soliciting comments and developing suggested routine procedures for agencies to implement, to facilitate and to encourage small businesses to provide comments to the Boards and the Ombudsman is a significant undertaking. Careful attention and a thorough effort is required of the Ombudsman to convert these comments into the annual agency report cards called for by the law. The purpose of the law's requirements is to give small businesses a voice in evaluating each agency's performance, and the resulting ratings are intended to measure whether agencies are treating small businesses more like responsible citizens than potential criminals.

Annual reports issued by the Ombudsman on agency responsiveness in enforcement activities must be based on comments received from small businesses, not based on self-assessment by the agencies themselves or on the Ombudsman's evaluation of the agencies' efforts. P.L. 104–121 instructs the Ombudsman and Fairness Boards to base their report on "substantiated" comments. The Ombudsman should verify comments by contacting the commenting small businesses, on a spot check basis as may appear necessary under the circumstances, rather than by going to the agency, if there is a reason to believe that any particular comments are fictitious or in some way not the result of an actual interaction with Federal agency personnel.

Many small businesses fear retaliation for commenting on an agency's performance and, as a result, the Ombudsman and Fairness Boards have a sensitive task. Because of these confidentiality interests, the law requires the Ombudsman and Fairness Boards to rate agency performance according to the subjective views and comments submitted by

small businesses. All agencies, however, have an opportunity to review and comment on the Ombudsman's draft report, but the Ombudsman is not authorized to forward to the agency or disclose in the report the identity of individual small businesses providing comments. The agencies' positions may be addressed by including a separate agency response section in the final report.

With limited resources, the statutory duties and responsibilities of the Ombudsman necessarily should be strictly followed, and resources should not be used to undertake activities beyond the scope of the statute. Ordinarily, the law does not contemplate that the Ombudsman will make a determination of the factual and legal merits of the enforcement action contained in comments received by the Ombudsman. The law does not anticipate a mediation role for the Ombudsman to create a forum for agencies to negotiate the resolution of individual comments or complaints.

TITLE VI: HUBZONE PROGRAM

The bill creates a new program known as the "HUBZone Act of 1997." This program was approved by a vote of 18–0 in the Committee on Small Business and subsequently included in S. 1139 as Title VI.

The purpose of the HUBZone Act of 1997 is to provide relief to urban and rural areas of the United States which have historically been identified as economically distressed areas. The HUBZone Act of 1997 is a jobs program intended to encourage small business concerns to locate in, and employ residents of, HUBZones. One of the principal purposes of this Act is to decrease the unemployment, underemployment, and low quality of life conditions that tend to be concentrated in inner cities and some rural areas, including Indian Reservations, throughout the U.S.

The HUBZone Act of 1997 is crucial to our Government's attempt to reform welfare by providing meaningful economic opportunities to individuals who live and work in HUBZones. Every effort should be made in the implementation of the HUBZone Act by SBA and other Federal agencies to provide an effective opportunity for the contracting preferences to be used as the basis for meaningful levels of contract awards. Special care must be taken to insure that routine dependency on existing programs does not hinder the full and fair implementation and utilization of HUBZone contracting procedures by federal agencies.

The HUBZone Act of 1997 is designed to bring qualified HUBZone small business concerns and their employees into the mainstream of government contracting at both the prime and subcontract levels by providing procurement preferences and through the establishment of contracting goals. The Act establishes three specific Federal procurement preferences for "qualified HUBZone small business concerns."

Section 602. Historically Underutilized Business Zones.

This section establishes the framework for implementation of the HUBZone Act of 1997. It defines the terms under which a small business qualifies as a HUBZone small business. In addition, Section 602 sets forth the authority for a contracting officer for a Federal agency to restrict competition for a contract to a qualified HUBZone small business when he determines there are two or more qualified HUBZone small business concerns that are likely to submit offers and that award can be made at a fair market price. In the circumstance where there is only one qualified HUBZone small business concern and the contracting officer is authorized to make a non-competitive award of a contract that does not exceed $3 million for service contracts and $5 million for manufacturing contracts. In this circumstance, the contracting officer must determine that the award can be made at a fair and reasonable price.

Section 602 gives the Small Business Administration new, discretionary authority to appeal a decision of a contracting officer not to award a contract under this title. The Administrator would have five days after receiving notice of this adverse decision to notify the contracting officer that SBA may appeal the decision, and within 15 days the Administrator may appeal the decision to the head of the department or agency.

Section 603. Technical and Conforming Amendments to the Small Business Act.

The bill amends various provisions of the Small Business Act and the technical and conforming amendments are implemented to effectuate the requirements of the program in a consistent manner with other statute.

Section 604. Other Technical and Conforming Amendments.

This section of the bill, addressing other technical and conforming amendments, is intended to amend the Competition in Contracting Act (10 U.S.C. 2304(b)(2)) and (41 U.S.C. 253(b)(2)) to allow for HUBZone setaside procedures in Federal prime contracting for contract requirements in excess of the simplified acquisition threshold. The effect of the bill is to amend the Competition in Contracting Act (10 U.S.C. 2304(c)) and (41 U.S.C. 253(c)) to provide HUBZone contracting authority to award HUBZone prime contracts using procedures other than competitive procedures for Federal prime contract requirements greater than the simplified acquisition threshold and not greater than $5,000,000, in the case of manufactured items and $3,000,000, for all other contract opportunities.

Section 605. Regulations.

The bill requires the Small Business Administration to publish within 180 days of enactment the final regulations to carry out the program. The Senate bill further requires the Federal Acquisition Regulatory Council to publish the HUBZone implementing regulations within 180 days of the date the SBA published its final regulations.

Section 606. Report.

The bill requires the Administrator of the Small Business Administration to submit a report to the Senate and the House of Representatives Committees on Small Business by March 1, 2002. The report is to evaluate the implementation of the HUBZone program, as well as the effectiveness of the program.

Section 607. Authorization of Appropriations.

The bill amends the Small Business Act to authorize the appropriation of $5,000,000, to the Small Business Administration for implementation of the HUBZone program for each Fiscal Year, 1998, 1999 and 2000.

TITLE VII: SERVICE DISABLED VETERANS

This title includes the House language designed to enhance the Small Business Administration's efforts to improve opportunities for service disabled veterans and provide enhanced outreach to that group. The Congress believes strongly that these individuals deserve far better consideration from the Federal agencies that they are currently receiving.

Section 701. Purposes.

This section outlines the intent of the Congress to enhance entrepreneurial opportunities for service disabled veterans and to promote their efforts to participate in the small business community.

Section 702. Definitions.

This section defines the terms "eligible veteran" and "small business concern owned and controlled by eligible veterans" for the purposes of this title and the Act.

Section 703. Report by the Small Business Administration.

This section requires the Small Business Administration to study the needs of small businesses owned by eligible veterans and report to the Committees on Small Business of the House and Senate on the steps needed to improve and enhance the role of service disabled veterans in the small business community and the economic mainstream of the country. The Congress expects the Small Business Administration to provide this information in detail and well within the time allotted. The Congress expects the Small Business Administration to reach out for assistance in this task to the various veterans organizations, State run programs for veterans, and other interested groups for assistance in completing this study.

Section 704. Information Collection.

This section directs the Secretary of Veterans Affairs, in cooperation with the Administrator of the Small Business Administration, to identify annually the small businesses owned and controlled by eligible veterans and to work to keep them informed concerning Federal procurement opportunities available to them.

Section 705. State of Small Business Report.

This section directs the Small Business Administration to include information concerning small businesses owned and controlled by eligible veterans in its annual report to the President and Congress, "The State of Small Business."

Section 706. Loan to Veterans.

This section reinforces the Small Business Administration's preexisting ability to make loans to small business concerns owned and controlled by service disabled veterans. The Congress takes this step to cure a lingering misunderstanding that the Administration's requested defunding of the Veteran's direct loan program in no way diminishes the Small Business Administration's responsibility to assist veterans through the 7(a) program.

Section 707. Entrepreneurial Training, Counseling, and Management Assistance.

This section directs the Administrator to ensure that small business concerns owned and controlled by eligible veterans are given full access to the Small Business Administration's business assistance programs, including SCORE and the Small Business Development Centers.

Section 708. Grants for Eligible Veterans' Outreach Programs.

This section amends the Small Business Administration's existing authority to include making grants to, or entering into cooperative agreements with, organizations that have or may establish outreach and assistance programs for eligible veterans.

Section 709. Outreach for Eligible Veterans.

This section directs the Administrator of the Small Business Administration, the Secretary of Veterans Affairs, and the Assistant Secretary of Labor for Veterans' Employment and Training to develop cooperatively an outreach and assistance program designed to coordinate the activities of their respective agencies and disseminate the information about those programs to eligible veterans.

Mr. KERRY. Mr. President, it is with great satisfaction that I rise today to speak on behalf of S. 1139, the Small Business Reauthorization Act of 1997. The legislation now before the Senate is the product of negotiations between the House and Senate to resolve the differences in the bill passed by the Senate in early September and the bill crafted by Chairman TALENT and Congressman LAFALCE. I am pleased that so many of the provisions of the original Senate bill have been retained in virtually identical form, such as the welfare-to-work Microloan Initiative, the extension of the Small Business Technology Transfer [STTR] program, the Women's Business Centers program and the HUBZone Act. I congratulate Chairman BOND for his leadership and stewardship through this year's reauthorization process. His willingness to craft a bipartisan bill has ensured that the Small Business Administration will continue to operate effectively in the years to come providing support to thousands of America's small businesses.

A component of this bill which I believe to be one of the most important to assist our aspiring entrepreneurs is the Microloan Program. The Microloan Program was created 6 years ago through the vision and hard work of Senator BUMPERS. Since then, the Microloan Program has operated on a pilot basis, providing loans in amounts averaging $10,000 to small businesses, and more importantly, providing technical assistance to these businesses on how to better operate their enterprises. One of the major reasons why new businesses in America fail is because so many people who want to start their own companies really have little idea on how to conduct the day-to-day financial operations that are so crucial to keeping a business afloat and making it a successful enterprise. The technical assistance provided by the intermediaries in the Microloan Program has had an impressive impact on the success of businesses participating in this program. Moreover, the losses to the Government have been minuscule, despite the higher risk associated with micro lending. In fact, since the Microloan Program has been in existence, there has been only one default of an intermediary's loan from the SBA. That is an amazing fact, and one which I believe demonstrates the financial soundness of the Microloan Program. The Congress wholeheartedly supports making the Microloan loan and technical assistance programs permanent SBA programs, and do so in this bill.

S. 1139 also contains provisions for a new initiative for the Microloan Program, one which will go a step further to reach aspiring entrepreneurs who may now be on Government assistance. In addition to loans and technical training, participants in this welfare-to-work Microloan initiative will be able to receive assistance to help defray child care and transportation expenses, two of the biggest obstacles welfare recipients face in their attempts to become active, contributing members of society. Inclusion of the welfare-to-work Microloan Program in the Small Business Reauthorization Act allows SBA to apply knowledge learned over the last 6 years to address one of the most pressing issues facing us today.

In June, Senator DOMENICI, Senator BOND and I introduced the Women's Business Centers Act. I am extremely pleased that the major provisions of that bill are included in the legislation now before us. Authorization for funding the Women's Business Centers Program has been doubled in this bill, and extends the eligibility of awardees from 3 years to 5 years. This bill also provides for studies to be conducted on contracting and finance issues as they affect women-owned businesses. This section of the Small Business Reauthorization Act will strengthen a sector of our economy that contributes over $1.5 trillion to the American economy and employs more Americans than Fortune 500 companies.

The Small Business Technology Transfer [STTR] program is reauthorized for an additional 4 years through this act. An offshoot of the very successful SBIR Program, STTR has been joining small businesses and non-profit research institutions for the past four years in an attempt to make better use of federally sponsored high technology research. This bill strengthens the STTR Program by requiring more accurate data recording by the SBA and participating agencies, and requires those participating agencies to include information regarding the SBIR and STTR Programs in their strategic plans required by the Government Performance and Results Act. By doing this, we in Congress can better evaluate programs such as STTR and what provisions might best assist the kind of companies participating in the program and what changes could result in a stronger STTR when we revisit it for reauthorization 4 years from now.

Chairman BOND led the way on an integral part of the reauthorization act, the HUBZones Program. This program seeks to aid small business concerns located in the poorest areas of our country by providing better opportunities to contract with the Federal Government. The HUBZone Act is the result of several years of work by Chairman BOND, and I congratulate him and his staff for this legislation which will certainly improve the economic situation of many American communities.

There are a few other components of the reauthorization act that I believe warrant mentioning at this time. The Community Development Company program, also called the 504 loan program, is continued through this legislation and will provide small businesses $2.3 billion of needed capital for their plant and equipment needs. The SBA's biggest loan program, 7(a), is authorized at $39.5 billion over the next 3 years, high enough to ensure continued support for those small businesses that need extra capital to grow their businesses. In addition, this legislation also contains a provision that seeks to protect small businesses from the practice of contract bundling, which can be harmful to small business. Bundling is when a Federal agency rolls several contracts into one big contract. This practice effectively bars small businesses from participating in the lucrative Federal Government contracting process on those contracts. The language contained in this bill will help alleviate this problem to some degree so that small businesses are not left out in the cold, and will require the Government to keep records on bundled contracts valued at more than $5 million.

The bill before us contains some provisions that the House included in their bill and that we have not seen before. One such provision is title VII of the bill which contains language that directs SBA to conduct a study on the potential to aid small businesses that are owned by service disabled veterans. I believe it is important to conduct research into this issue and see if the opportunity exists to better assist these businesses.

There are other components of the Small Business Reauthorization Act which I have not mentioned here but will be helpful to small businesses participating in the SBA's programs. The Small Business Investment Companies and Small Business Development Centers Programs are both modified through this act. The Pilot Preferred Surety Bond Guarantee Program is also extended in this legislation.

Mr. President, I would like to conclude by again thanking the Chairman of the Small Business Committee, Senator BOND, for his leadership throughout the year on reaching this point and passing what I consider to be a very meaningful and effective piece of legislation. It is clear that the Small Business Administration will be assured of its continued support by Congress as it moves ahead to the 21st century assisting the driving force of our economy, American small business.

WOMEN'S BUSINESS CENTERS

Mr. DOMENICI. Mr. President, I appreciate the opportunity of commending Senator BOND for his efforts in bringing this Small Business Reauthorization Act to the floor for consideration. In particular, I am grateful for his deep commitment and tireless dedication to improving the Small Business Administration's [SBA] Women's Business Centers program. As a result of his work, this program will be expanded and modified so that it targets

more appropriately the thousands of women entrepreneurs who provide jobs and economic growth to their local communities.

I also want to commend Congresswoman NANCY JOHNSON for her strong support of this program. My legislation, S. 888, the Women's Business Centers Act of 1997, introduced in behalf of myself, Senator BOND, Senator KERRY and 23 other cosponsors, was the companion bill to Representative JOHNSON's legislation. Due to the strong bipartisan support of Chairman BOND and other members of the Senate Small Business Committee, S. 888 was incorporated into this reauthorization bill. Congresswoman JOHNSON has been a long-time and dedicated friend of women's business efforts, and I am most appreciative that we were able to work together on this important measure.

Many of us believe that the SBA must give renewed attention to one of its smallest but most successful business programs. This legislation, therefore, doubles the amount of funds available to Women's Business Centers, and it extends the grant period from 3 years to 5 years. It also changes the funding formula so that newly created business sites will have a more realistic Federal-to-non-Federal matching program. This latter issue is important because up to this point, women's business centers have been required to meet a much stricter matching grant requirement than have other grantees in the SBA's grant programs. I remain somewhat concerned, however, that existing business site grantees must still bear a slightly higher burden of matching fund requirements. Nevertheless, the overall changes to the Women's Business Centers Program are noteworthy and extremely positive.

By passage of this reauthorization language, Congress recognizes the essential role of women-owned small businesses to this country's local and national economies. Congress also recognizes the necessity of added SBA administrative and programmatic support to the women's program. The SBA must ensure that the Office of Women's Business Ownership [OWBO] has adequate staffing and resources to manage this expanded program. It must also provide any supplemental assistance OWBO may need to manage its ongoing program while developing new and creative activities to enhance its present portfolio. Frankly, a program of this nature demands tangible agency commitment to its success. While OWBO and its women's business clients have an impressive and outstanding programmatic record, this small program deserves much more attention from the Agency than it has received thus far. I am hopeful that next year and in the years to come the SBA will work more closely with OWBO, as well as with Congress, to ensure that women's businesses are provided the necessary resources to continue their vital entrepreneurial endeavors.

I believe it is also important to give credit to the many able and committed directors and staff of the Women's Business Centers throughout the country. I know these professional women, like those of Agnes Noonan and her staff in my State of New Mexico, have counseled countless thousands of potential business clients and have established equal numbers of successful small businesses. Their tasks have not been easy, but they have met their management obligations while also creating an impressive and wide-ranging network of business colleagues to address the special challenges of women-owned businesses. The techniques they've learned and the expertise they share with one another have been instrumental in the overall success of this SBA program.

Once again, I commend Senator BOND for his attention and commitment to the Women's Business Centers Program. His able staff, particularly Ms. Suey Howe and Mr. Paul Cooksey, provided excellent professional support so that this program was reviewed and modified appropriately. I am very pleased Chairman BOND and other members of the committee have given this issue the attention it deserves. Women-owned businesses are an integral component of our Nation's business sector and are instrumental to our country's overall economic health. The efforts of the Chairman and the committee will ensure that this SBA business program continues its obligations to so many deserving and successful women entrepreneurs. Thank you for the opportunity of sharing my support of this important program.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri.

The motion was agreed to.

Mr. BOND. Mr. President, I move to reconsider the vote by which the motion was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ADMINISTRATION'S HUMANITARIAN DEMINING INITIATIVE

Mr. LEAHY. Mr. President, I would like to speak briefly about an announcement the administration is making today to increase funding for humanitarian demining programs and appoint a demining czar. This is, of course, on the subject of landmines, which has been a concern of mine for many years. I have not received all the details, but I understand the administration plans to spend $80 million on humanitarian demining programs next year, which is a significant increase over the current level.

They also plan to seek additional support from other governments, corporations, and foundations. Their goal is to raise $1 billion to clear most of the world's landmines by the year 2010. I also understand Ambassador Karl Inderfurth, our Assistant Secretary for South Asia and formerly the U.S. Alternate Representative to the United Nations, is to become the new demining czar.

I can think of no better person to lead this effort than Ambassador Inderfurth. The Ambassador, known as Rick to his friends, is a long-time friend of mine. I have immense respect and admiration for him. I have watched him prowl the halls of the United Nations and buttonhole other representatives, as did Secretary of State Madeleine Albright when she was our U.N. Representative, to get support for an international ban on antipersonnel landmines.

Rick has been a passionate voice for the victims of landmines. I am very grateful that he has agreed to take this on, especially as he already has a full-time job that would be more than enough for most people. He will do a superb job.

This announcement is being made today by Secretaries Albright and Cohen. I commend them both, and I say that it is welcome news.

While its goals sound awfully ambitious, some may say even unrealistic, time will tell. They have my full support. This is an area in which not nearly enough has been done, and the United States has a great deal to offer.

Mr. President, today we clear landmines much the same way that we did in World War II or Korea. It takes an enormous amount of time and it is extremely dangerous. There is very little money, especially as most of these landmines are in the Third World.

Our leadership in this area could help immeasurably. Look what we did after World War II with the tens of millions of landmines spread all over Europe. We cleared most of them in a decade. There are still parts of Europe that have landmines today, but most of them are gone.

The administration's plan builds on what the Congress began some years ago. We established humanitarian demining programs at both the Departments of Defense and State. At the beginning, the Pentagon did not want to do it. They said it was not their mission. They said their job was breaching mine fields, not clearing mines. That is one reason there are so many

unexploded landmines killing and maiming innocent people around the world.

What happens, of course, Mr. President, is that the world's militaries leave millions of landmines behind once the wars end, the soldiers go home, the guns are unloaded, the leaders sign the peace agreements, and hands are shaken.

But the landmines stay, and some unsuspecting child or farmer steps on them—a child going to school or someone going to gather water or firewood. Someone trying to raise crops to feed their family. Or an unsuspecting missionary.

There are so many victims, long after anybody even remembers who was fighting whom, or why. There are Russian mines, American mines, Italian mines and mines from other countries in hundreds of varieties in over 68 countries. It is estimated that it would cost, at the rate we are going now, billions of dollars over decades and decades to get rid of them.

Over time, the Pentagon has become more supportive. I hope this new initiative means that they are now fully on board. They have the expertise and technology to make an important contribution. They could cut years, years off the time it would take to demine the world.

Again, as I have said, we are using the same demining technologies that were common years ago. We are not taking advantage of some of the technology and expertise available today. And the demining programs that we now use have been in place for several years have a mixed record. The administration says they have spent some $150 million to date. I wonder how many landmines have been removed for all that money? I suspect if anyone did the arithmetic it would come to hundreds of dollars, possibly even thousands of dollars, to remove each landmine. Of course, the tragic irony of that is that it only costs $3 or $4 to put the landmine in the ground in the first place.

So I suggest, in building on what Secretary Albright and Secretary Cohen said today, that we begin with a top-to-bottom review of our demining efforts. They are too uncoordinated among government agencies. This should include a thorough review of the program that is in the Pentagon itself.

The Pentagon should play a central role, but I am concerned that some Pentagon officials have been more interested in using this program to make contacts with foreign military personnel than to build the sustainable demining capabilities in these other countries. The soldiers we send to do the training in places like Eritrea and Mozambique and other mine-infested countries are among our best, and they do a terrific job. There is no one more proud of them than I am. But we need to be sure that when they leave, the people they have trained have the knowledge and the equipment and the support to carry on.

We have the Humanitarian Demining Technologies Program. This program funds research and development on new demining technologies. This program, again, established by the Congress three years ago, has the potential to revolutionize the way we detect and destroy landmines and other unexploded ordnance.

This may be what enables us to make that quantum leap forward so that instead of taking decades and decades to get rid of the mines, we cut that time substantially. The Pentagon also has a lot to offer in this area, but it has not been fully supportive of it despite the best efforts of the people involved. As one who has spent nearly 10 years working to ban anti-personnel landmines, to support programs to clear mines and care for the victims, I must say that there should be some thought given to moving this program elsewhere or reorganizing it, because there needs to be much more coordination with the private sector and with other governments that are also working in this area.

Mr. President, there is another part of this that needs to be mentioned. Two years ago, the President of the United States went to the United Nations to urge the world's nations to negotiate a treaty banning antipersonnel landmines.

In December, over 110 governments will sign such a treaty in Ottawa. But the United States is not going to be among them. In fact, not only will we be absent, now we find the Pentagon is backtracking on the pledge it made a year ago to find alternatives to antipersonnel landmines.

So taken in this context, it is no surprise that the administration feels it must do something to counter the growing impression around the world that the United States has become an obstacle to an international ban.

Thirteen members of NATO and most of the world's producers and users and exporters of landmines will sign the treaty in Ottawa, but not the world's only superpower. We have taken the position that even though we are the most powerful nation history has ever known, we cannot give up our landmines but we want everybody else to give up theirs. Rather than lead this effort, we risk being left behind with a handful of pariah states with whom we do not belong. We are too great a nation for that.

No one should suggest that a ban is a substitute for demining. There are some 100 million unexploded landmines in the ground, and whether there is a ban or not they will go on maiming and killing until we get rid of them. We have to do that. But neither is demining a substitute for a ban. Why spend billions of dollars to get rid of the mines if they are simply replaced with new mines?

We need to destroy the mines that are in the ground. We need to stop the laying of new mines. Both are necessary to rid the world of these insidious weapons.

So I welcome this initiative. I will do everything I can to support it. But let us not fool themselves. The United States is about to miss a historic opportunity. We should sign the Ottawa treaty, just as we should do everything we can to lead an international demining effort to get rid of the mines in the ground.

Mr. President, I ask unanimous consent that an article in today's Washington Post, which describes how the Pentagon is walking away from its pledge last May to find alternatives to antipersonnel landmines, a pledge that at the time they said reflected their "complete agreement" with the President's goal of an international ban, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 31, 1997]

ADMINISTRATION DROPS PLANS TO FIND SUBSTITUTES FOR ANTIPERSONNEL MINE

(By Dana Priest)

The Clinton administration has dropped its effort to find alternatives to a certain type of antipersonnel land mine, a move that has angered advocates of banning mines who say the president has retreated from his pledge to find a substitute for the weapon.

"There wasn't anything that conceptually made any sense," said a high-ranking Defense Department official who declined to be named. "And there is no humanitarian need for such an alternative."

Caleb Rossiter, director of Demilitarization for Democracy, which advocates an international land mine ban, said: "This is a huge policy change."

At issue are the millions of antipersonnel land mines used by U.S. troops to protect anti-tank minefields.

Since May 1996, Clinton has pledged to find alternatives to all mines this country uses, and the Pentagon has been studying various approaches. In January, when Clinton announced he would not sign an international treaty banning land mines, he directed the Defense Department "to develop alternatives to antipersonnel land mines, so that by the year 2003 we can end even the use of self-destruct land mines."

He also directed the Pentagon to find alternatives to the mines used on the Korean Peninsula by 2006.

At the same time, Clinton redefined the only type of antipersonnel land mine used by U.S. troops outside Korea—mines that are scattered around anti-tank mines to protect them from being breached by enemy troops. This is called a "mixed system" of anti-tank and antipersonnel mines. The administration now calls these antipersonnel land mines "devices" and "submunitions."

The practical result of this definitional change is that the Pentagon is no longer actively trying to come up with an alternative for these mines, of which the United States has more than 1 million.

"We are looking for alternatives to the Korean situation," said Pentagon spokesman

Kenneth Bacon. "The mixed packages are not a humanitarian threat."

The reason the mixed packages are not a humanitarian threat is because they turn themselves off after a set period of time, usually three hours. Even so, from May 1996 until this January, Clinton still wanted to find alternatives to them in hopes of inducing countries that use the troublesome non-self-destructing mines to give them up.

Non-self-destructing mines, also known as "dumb mines," are responsible for injuring or killing 25,000 people a year, many of them civilians.

U.S. negotiators working on the Ottawa treaty tried unsuccessfully to convince other countries to create an exemption for the antipersonnel mines used in anti-tank minefields.

Abandoning the search for alternatives, said Bobby Muller, president of the Vietnam Veterans of America Foundation, would make it impossible for the United States to ever sign the treaty as it is written.

"Our bottom line is for the U.S. to sign the treaty," said Muller, who also is part of the International Campaign to Ban Landmines, which won the Nobel Peace Prize this year. "We are going to be in his [Clinton's] face. We are not going away."

Yesterday the international campaign began airing eight days of Washington-broadcast television ads aimed at pressuring Clinton to sign the treaty or to pledge to sign it at a specified date.

Mr. LEAHY. Mr. President, let us hope that the Pentagon's pledge today to help lead an international demining effort is a lot longer lasting.

Mr. President, I have spoken on this subject so many times. I think of when I went to Oslo recently when governments were meeting there to talk about an international ban. And I was joined by Tim Rieser, of my staff, who has worked so hard on this, and David Carle. I met with the American negotiators who were there and had a chance to speak to the delegates and the NGO's and others who had gathered.

And I said: I dream of a world, as we go into the next century, a world where armies of humanity dig up and destroy the landmines that are in the ground and when no other armies come and put new landmines down.

If we did that, Mr. President, if the world did that, removed the landmines that are there, banned the use of new landmines, we would give such great hope to people everywhere.

Today, there are countries where families literally have to tether their child on a rope near where they live because they know within the circle of that rope is one of the few areas that is free of landmines. And the child can play only on the end of a leash like a dog.

These are the same places where people often go hungry. They cannot work in their fields without risking their lives. And they often have no choice. And when one of them loses a limb, or his or her life, the whole family suffers. That is the reality for millions of people, and that is why this demining initiative is so important.

Mr. President, I yield the floor.

Seeing nobody else seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUPPORT OF NOMINATION OF BILL LANN LEE

Mr. LEAHY. Mr. President, I have spoken many times on the floor about the nomination of Bill Lann Lee to be the Assistant Attorney General in charge of the Civil Rights Division of the U.S. Department of Justice.

Mr. Lee testified before the Judiciary Committee. It was really the culmination of the American dream. A son of Chinese immigrants who went from living at the family laundry upon his father returning from World War II and then on to achieving one of the highest academic records ever, and ends up dedicating his life to protecting the civil rights of all Americans. At a time when we are discussing what is happening regarding the lack of civil rights in the country of his forbears—what a marked contrast.

I am concerned when I hear some Members trying to stall or defeat his nomination. They have done it by mischaracterizing Mr. Lee and his record of practical problem solving.

Yesterday, my statement pointed out that the confirmation of this son of Chinese immigrants to be the principal Federal law enforcement official responsible for protecting the civil rights of all Americans would stand in sharp contrast to the human rights practices in China.

Some are obviously trying to stall or defeat this nomination by mischaracterizing Mr. Lee and his record of practical problem solving. Bill Lee testified that he regards quotas as illegal and wrong, but some would ignore his real record of achievement and our hearing if allowed to do so. I am confident that the vast majority of the Senate and the American people will see through the partisan rhetoric and support Bill Lee.

Bill Lee has dedicated his career to wide ranging work on civil rights issues. He has represented poor children who were being denied lead screening tests, women and people of color who were denied job opportunities and promotions, neighbors in a mixed income and mixed race community who strove to save their homes, and parents seeking a good education for their children. Mr. Lee has developed a broad array of supporters over the years, including the Republican mayor of Los Angeles, former opposing counsels, and numerous others who cross race, gender and political affiliation lines.

Senator D'AMATO spoke eloquently of Mr. Lee's qualifications and background while introducing him last week. Senator WARNER wrote to the White House in support of Mr. Lee's candidacy. Senators MOYNIHAN, INOUYE, AKAKA, FEINSTEIN, and BOXER supported Mr. Lee at his confirmation hearing last week and Representatives MINK, BECCERA, MATSUI, and JACKSON-LEE all took the time to come to the hearings to show their commitment to this outstanding nominee.

To those who know him, Bill Lee is a person of integrity who is well known for resolving complex cases. He has been involved in approximately 200 cases in his 23 years of law practice, and he has settled all but 6 of them. Clearly, this is strong evidence that Mr. Lee is a problem solver and practical in his approach to the law. No one who has taken the time to thoroughly review his record could call him an idealogue.

Further evidence that Mr. Lee is the man for the job is contained in the editorials from some of our country's leading newspapers, including the Los Angeles Times, Boston Globe, Washington Post, and New York Times. I ask unanimous consent to have printed in the RECORD copies of those editorials and articles at the conclusion of my statement, and I also ask to be printed in the RECORD at the conclusion of my statement, a letter from the assistant city attorney from Los Angeles that corrects a misimpression that may have been created by a letter recently sent by NEWT GINGRICH.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

As Robert Cramer's letter establishes, Mr. Lee neither sought to impose racial or gender quota nor employed dubious means in a case in which he, in fact, was not even active as counsel. Mr. Cramer, a 17-year veteran attorney for the city of Los Angeles, concludes:

Bill Lann Lee and I have sat on opposite sides of the negotiating table over the course of several years. Although we have disagreed profoundly on many issues, I have throughout the time I have known him respected Bill's candor, his thorough preparation, his sense of ethical behavior, and his ability to bring persons holding diverse views into agreement. He would, in my view, be an outstanding public servant and a worthy addition to the Department of Justice.

When confirmed, Bill Lee will be the first Asian-American to hold such a senior position at the Department of Justice. I am sure that any fairminded review will yield the inescapable conclusion that no finer nominee could be found for this important post and that Bill Lee ought to be confirmed without delay. I look forward to the Judiciary Committee voting on this nomination

next week and am hopeful that Mr. Lee will be confirmed before the Senate adjourns.

EXHIBIT 1

[From the Los Angeles Times, Oct. 20, 1997]

FINE CHOICE FOR U.S. RIGHTS POST—L.A. ATTORNEY SHOULD BE CONFIRMED BY THE SENATE WITHOUT DELAY

Los Angeles civil rights attorney Bill Lann Lee is a smart, pragmatic consensus builder who has proven himself in fighting discrimination based on race, national origin, gender, age or disability. He has the expertise, the experience and the temperament to head the Justice Department's civil rights division. This nomination should be a slam dunk for the Senate. Instead it has become a partisan referendum on President Clinton's continued support for some form of affirmative action.

If confirmed, Lee, the western regional counsel of the NAACP Legal Defense Fund, would become the first Asian American to manage the 250-lawyer division. He would be well positioned to broaden civil rights enforcement to accommodate the nation's multicultural dynamics.

Some Republicans are seizing on Lee's opposition to Proposition 209, the anti-affirmative action ballot measure approved last November by California voters. But what else might be expected from a veteran civil rights lawyer? And during his confirmation hearing he promised to abide by the law of the land, which awaits a Supreme Court ruling on the constitutionality of Proposition 209.

Nominees to the federal civil rights post do often run into political trouble. During the Reagan administration, a Democratic majority blocked the promotion of Bradford Reynolds, who opposed busing and other traditional civil rights remedies. A Bush nominee, William Lucas, was blocked on similar grounds. Clinton's first choice, Lani Guinier, hit a wall of GOP rejection. Later, Deval Patrick was confirmed; he resigned in January.

Conservatives should love Lee. The son of poor Chinese immigrants who owned a hand laundry in Harlem, Lee made it on merit. He graduated with high honors from Yale and Columbia University Law School and could have enriched himself in private practice. Instead, he has spent 23 years in civil rights law.

Even legal adversaries admire him. Mayor Richard Riordan, a Republican, was on the other side when the NAACP Legal Defense Fund accused the MTA of providing inferior service to poor, inner-city bus riders. Lee built a strong case, then negotiated a settlement that saved the city substantial legal fees while still achieving more equitable transportation in Southern California. Riordan praised Lee for "practical leadership and expertise" that eschewed divisive politics.

Bill Lee is well qualified to become assistant attorney general for civil rights and his nomination should be approved now.

[From the Boston Globe, Aug. 27, 1997]

JUSTICE FOR BILL LANN LEE

Bill Lann Lee is being unjustly booed. President Clinton wants Lee to be the next assistant attorney general in charge of the Justice Department's civil rights division, but critics are branding Lee an extremist.

Such name-calling is a waste. Lee, a 48-year-old Asian-American, isn't a subversive. He's western regional counsel for the NAACP Legal Defense and Educational Fund. But that worries Clint Bolick. The director of litigation at the Institute for Justice, a conservative Washington public interest law firm, Bolick argues that Lee's organization doesn't reflect mainstream thinking on civil rights. And Senator Orrin Hatch has said he'll search to see whether Lee favors quotas.

The NAACP Legal Defense Fund isn't a fringe group. It's the organization that brought America Brown v. Board of Education, the 1954 Supreme Court ruling that outlawed segregation in the public schools.

As for Lee, even past legal opponents call him a pragmatic problem-solver. One example is a 1994 federal civil rights class-action suit against the Los Angeles County Metropolitan Transportation Authority. The suit charged that resources were unfairly distributed: The suburbs were overserved; the inner city was underserved. Lee focused on solving the transportation problem instead of punishing the transportation system. The resulting settlement will be worth an estimated $1 billion over 10 years to Los Angeles bus riders.

Lee's career is a crucial reminder that the country can't let the word "quota" scare it away from addressing racial injustice. He is part of the Legal Defense Fund's tradition of tackling important but unpopular issues, including environmental racism, police brutality, and housing. And ultimately, it isn't lawyers who create change, explains Theodore Shaw, associate director and counsel for the Defense Fund: they only create a window of opportunity in which change can happen—if communities follow through. As the Senate scrutinizes Lee, it ought to see the merits of his record, one of asking everyone—plaintiffs and defendants alike—to remedy injustice.

[From the Washington Post, Oct. 24, 1997]

THE LEE NOMINATION

In July, the president nominated Bill Lann Lee, western regional counsel for the NAACP Legal Defense and Educational Fund, to be assistant attorney general for civil rights. The post had then been vacant for half a year. On Wednesday, Mr. Lee had his confirmation hearing. The nomination now should be approved.

The choice of Mr. Lee has drawn some limited opposition, as civil rights nominations by either party almost always seem to do these days. In this case, however, even opponents, some of them, have acknowledged that, from a professional standpoint, Mr. Lee is qualified. The issue is not his professional competence. The objection is rather to the views of civil rights that he shares with the president, and which, in the view of the critics, should disqualify him.

Mr. Lee's views appear to us to be well inside the bounds of accepted jurisprudence. He is an advocate of affirmative action, as you would expect of someone who has spent his entire professional career—23 years—as a civil rights litigator. The president has likewise generally been a defender of such policies against strong political pressures to the contrary. But Mr. Lee himself observed that the assistant attorney general takes an oath to uphold the law as set forth by the courts, and so he would. The range of discretion in a job such as this is almost always less than the surrounding rhetoric suggests.

Mr. Lee over his career has brought a considerable number of lawsuits in behalf of groups claiming they were discriminated against, and has sought and won resolutions aimed at making the groups whole, somehow defined. It is that kind of group resolution of such disputes that some people object to, on grounds that the whole object of the exercise should be to avoid labeling and treating people as members of racial and other such groups. There is surely some reason for the discomfort this group categorizing generates. But the courts themselves continue to uphold such actions in limited circumstances. And Mr. Lee has won a reputation for resolving such cases sensibly. Los Angeles's Republican Mayor Richard Riordan is one who supports the nomination. "Mr. Lee first became known to me as opposing counsel in an important civil rights case concerning poor bus riders in Los Angeles," he has written. "The work of my opponents rarely evokes my praises, but the negotiations could not have concluded successfully without Mr. Lee's practical leadership and expertise. . . . Mr. Lee has practiced mainstream civil rights law."

There are lots of legitimate issues to be argued about in connection with civil rights law. Mr. Lee's nomination is not the right vehicle for resolving them. Senators, including some who no doubt disagree with some of his views, complain with cause about the continuing vacancies in high places at the Justice Department. This is one they should fill before they go home.

[From the New York Times, Oct. 29, 1997]

A CHIEF FOR CIVIL RIGHTS

The important post of Assistant Attorney General for Civil Rights has been vacant for nearly a year, sending the wrong message about the nation's commitment to enforce anti-discrimination laws. President Clinton deserves much of the blame. After the last rights chief resigned, he waited seven months before nominating Bill Lann Lee in July. But the Senate, too, has been slow to move.

Mr. Lee, currently the Western Regional Counsel for the NAACP Legal Defense and Educational Fund Inc., is a respected civil rights attorney whose efforts to reach practical solutions and build coalitions across racial and ethnic lines have earned praise even from his legal adversaries. He will bring a constructive and conciliatory voice to the national dialogue on race and affirmative action.

The opposition to Mr. Lee arises largely from resentment among various senators over the Administration's support for some affirmative action programs. There have also been attempts to portray Mr. Lee and the venerable civil rights organization for which he works as out of the civil rights "mainstream." This is a gross misrepresentation.

Mr. Lee was enthusiastically introduced to the Senate Judiciary Committee last week by New York's Republican Senator, Alfonse D'Amato. With the Senate poised to adjourn in early November, the committee should move quickly to approve Mr. Lee when it meets tomorrow. A delay is likely to kill his confirmation chances until next year.

OFFICE OF THE CITY ATTORNEY,
Los Angeles, CA, October 29, 1997.

Hon. TRENT LOTT,
Senate Majority Leader, S-230, The Capitol, Washington, DC.

Re. Bill Lann Lee Confirmation.

DEAR MR. MAJORITY LEADER: As an Assistant City Attorney for the City of Los Angeles—and opposing counsel to Bill Lann Lee in recent federal civil rights litigation—I read with concern the October 27 letter to you from the Speaker of the House of Representatives. I believe the Speaker has been misinformed about many of the facts set out in that letter, and therefore the conclusions he reaches about Mr. Lee's fitness for public

office, and in particular for the position of Assistant Attorney General for Civil Rights, are unwarranted.

The Speaker's letter begins by asserting that Mr. Lee "attempted to force through a consent decree mandating racial and gender preferences in the Los Angeles Police Department." This assertion is erroneous. In the course of representing the City of Los Angeles, I have for the past seventeen years monitored the City's compliance with consent decrees affecting the hiring, promotion, advancement, and assignment of sworn police officers. I have negotiated on the City's behalf two of those decrees. Of those two, Mr. Lee was opposing counsel on the first, and was associated with opposing counsel on the second. None of these decrees mandates the use of racial or gender preferences. In fact, each of them contains provisions forbidding the use of such preferences.

For the same reasons, the Speaker's statement that the use of racial and gender preferences "would have been a back-door thwarting of the will of the people of California with regard to Proposition 209 (the California Civil Rights Initiative)" is inapposite. Because the decrees with which Mr. Lee was associated do not call for racial or gender preferences, and in fact forbid them, these decrees do not violate the requirements or the intent of Proposition 209.

Of particular concern to me is the Speaker's reference to "the allegation that Mr. Lee apparently employed dubious means to try to circumscribe the will of the judge in the case." This allegation is wholly untrue. The case being referred to is presently in litigation in the district court. Mr. Lee was not at any time a named counsel in the case, but was associated with opposing counsel because of his involvement in the negotiation of a related consent decree. Neither Mr. Lee nor any opposing counsel attempted in any fashion to thwart the will of the judge supervising the litigation. The matter had been referred by the court to a magistrate judge appointed by the court to assist in the resolution of the case. Each counsel had advised the district judge at all points about the progress of the matter. Upon reconsideration, the district judge elected to assert direct control over the litigation. Nothing in Mr. Lee's conduct reflected any violation of the court's rules, either in fact or by appearance.

Bill Lann Lee and I have sat on opposite sides of the negotiating table over the course of several years. Although we have disagreed profoundly on many issues, I have throughout the time I have known him respected Bill's candor, his thorough preparation, his sense of ethical behavior, and his ability to bring persons holding diverse views into agreement. He would, in my view, be an outstanding public servant and a worthy addition to the Department of Justice.

Very truly yours,

ROBERT CRAMER,
Assistant City Attorney.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANALYSIS OF DOMENICI-CHAFEE "DEAR COLLEAGUE" LETTER REGARDING ISTEA REAUTHORIZATION

Mr. BYRD. Mr. President, earlier this week, Senators received a "Dear Colleague" letter and accompanying material from my friends and colleagues, Senators CHAFEE and DOMENICI. This letter included several representations regarding the substance and effect of the Byrd-Gramm-Baucus-Warner amendment in comparison to that of the Chafee-Domenici amendment to S. 1173, the ISTEA reauthorization bill.

I have already addressed a number of these issues on the floor over the last two days. However, I thought it would be valuable for Senators to review a memorandum that evaluates in detail the representations made by Senators CHAFEE and DOMENICI in their "Dear Colleague" letter. This analysis was prepared by Dr. William Buechner, Director of Economics and Research at the American Road and Transportation Builders Association.

I therefore ask unanimous consent that Dr. Buechner's analysis be printed in the RECORD at this point, and I hope all Members will carefully review this material and become cosponsors of the Byrd-Gramm-Baucus-Warner amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Memorandum

To: Senate Transportation & Budget LA's
From: Dr. William Buechner, Director of Economics & Research American Road & Transportation Builders Association
Date: October 29, 1997
Re: Dear Colleague by Senators Domenici and Chafee on Byrd-Gramm-Baucus-Warner Amendment to S. 1173 (ISTERA II)

Yesterday, you received a dear colleague letter from Senators Domenici and Chafee claiming that forty-three states would lose highway money under the Byrd-Gramm-Baucus-Warner Amendment to S. 1173. This claim was made on the basis of tables and charts prepared by the U.S. Department of Transportation under instructions from the Environment and Public Works Committee. A front page article on this memorandum appeared in the October 28 edition of Congress Daily A.M., which gives the Domenici-Chafee analysis the illusion of accuracy and authority.

DON'T BE MISLED

The purpose of the Domenici-Chafee dear colleague letter is to obscure the fact that the Byrd-Gramm-Baucus-Warner amendment will provide $28 billion more for highways during the next five years than ISTEA II as reported, while the proposed Domenici-Chafee amendment will not. Nonetheless, the letter suggests that it is appropriate to compare the two proposals as though both provide the same amount of funding. This creates the impression that some states would receive less under Byrd-Gramm-Baucus-Warner than under Domenici-Chafee. Here are the facts:

The Byrd-Gramm-Baucus-Warner amendment authorizes an increase in formula funding for highway programs of about $28 billion over the five-year period FY 1999-2003, to be distributed among the states based on the precise distribution formula in the committee bill. Since the program authorization levels in ISTEA II will put an upper limit on the amount Congress can spend on highway during the next six years, the only way to increase highway spending is to increase the amounts authorized in ISTEA II, which is precisely what the Byrd-Gramm-Baucus-Warner amendment does. The implication of the Domenici-Chafee dear colleague letter that the Byrd-Gramm-Baucus-Warner amendment provides no more funding than ISTEA II as reported is simply wrong and completely misrepresents the intent of the amendment.

The Domenici-Chafee approach would lock the highway program into the inadequate authorization levels currently specified in ISTEA II in exchange for a procedure by which Congress could add more money at some future time if it so wishes. This pig-in-a-poke asks the American people to give up the higher authorizations for highways provided in Byrd-Gramm-Baucus-Warner for the hope that Congress might deliver the equivalent at some future date. Of course, Congress will still have to pass higher obligation limitations and appropriations under either approach, but the Byrd-Gramm-Baucus-Warner amendment lets us lock in the necessary authorization level today.

The Byrd-Gramm-Baucus-Warner amendment also authorizes additional spending for the Appalachian Highway Development System and changes most of the funding for the Border Corridor program from a general fund authorization into contract authority. The Environment and Public Works Committee-directed table assumes that funds for these initiatives would be paid "off the top" and implies that states would have to give up money from other highway programs no matter what level is appropriated for the highway program. In fact, the authorization for these programs in the Byrd-Gramm-Baucus-Warner amendment are fully subject to any annual obligation limitation as are other highway programs. Moreover, these programs would be funded in the same proportion as other programs in the bill.

In truth, the Byrd-Gramm-Baucus-Warner amendment provides an increase in authorization for all of the highway programs in ISTEA II in the same proportion as provided for in the underlying bill. As the annual level of appropriations rise, the funds available for all states will rise with it. You cannot compare the state-by-state allocations under Byrd-Gramm-Baucus-Warner versus Domenici-Chafee at the same level of spending, as the dear colleague letter attempts, because the two do not provide the same level of spending. Instead, the appropriate comparison would pit the fully-funded Byrd-Gramm-Baucus-Warner against the anemic level of funding under Domenici-Chafee, in which case every state wins and wins big under the Byrd-Gramm-Baucus-Warner amendment. The Byrd-Gramm-Baucus-Warner amendment will make it possible to use the revenues from the recent transfer of the 4.3 cents per gallon of the Federal gasoline tax previously used for deficit reduction into the Highway Trust Fund to provide authorization for more than $5 billion per year in new funds to allocate among all the states for highway investment.

In truth, every state stands to receive substantially more under the Byrd-Gramm-Baucus-Warner amendment than under ISTEA II as reported. These additional funds are critical to meet our nation's transportation needs.

I would be happy to discuss this with you if you have questions. I can be reached at 202-289-4434.

ADDITIONAL COSPONSOR—S. 1173

Mr. BYRD. Mr. President, I ask unanimous consent that the name of Mr. DASCHLE be added as a cosponsor to amendment No. 1397, the Byrd-Gramm-Baucus-Warner amendment to S. 1173, the ISTEA reauthorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY STUDENT LOAN CONSOLIDATION ACT OF 1997

Mr. JEFFORDS. Mr. President, I want to bring to the attention of my colleagues an important matter, which I hope can receive consideration before we leave this fall.

Last week, the Senate Committee on Labor and Human Resources unanimously reported out a bill, S. 1294, the Emergency Student Loan Consolidation Act of 1997. This measure is a modest, but extremely important, effort designed to assist students attempting to finance their higher education.

The measure enjoys broad bipartisan support. The House companion bill, H.R. 2335, was approved by a vote of 43 to 0 by the House Committee on Education and the Workforce. This measure, with language identical to S. 1294, as reported by the Labor Committee, was subsequently approved by the full House under suspension by voice vote. It has also been endorsed by national associations representing students and institutions of higher education.

I ask unanimous consent that a letter from Dr. Stanley O. Ikenberry, president of the American Council on Education, be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JEFFORDS. Mr. President, the House measure is now being held at the desk and is available for immediate action by the Senate. It has been cleared on the Republican side of the aisle. Unfortunately, due to objections from the other side of the aisle, we are unable to consider it.

I want to take this opportunity to discuss the provisions of this legislation and the need to move expeditiously on it. This legislation does two things:

First, it permits individuals to consolidate all their student loans—both Federal Direct Loan Program [FDLP] loans and Federal Family Education Loan Program [FFELP] loans—into a FFELP consolidation loan. Under current law, students who have both direct and guaranteed loans may only consolidate them into an FDLP consolidation loan administered by the Department of Education.

The problem is that FDLP consolidation is not an option right now. Since August 26, the Department has suspended its consolidation program in an effort to deal with the backlog of 84,000 applications which had piled up prior to that time.

Second, it assures that students and their parents will enjoy the full benefits of the educational tax credits contained within the Taxpayer Relief Act of 1997 by excluding these tax credits from consideration when student financial need is being assessed.

Let me talk for a moment about why it is important to offer a loan consolidation option to those students who, right now, have nowhere to turn. The student loan consolidation program allows students to consolidate multiple student loans into a single loan that has several repayment options. The benefits of consolidation include the convenience of making a single monthly loan payment. In addition, the repayment options can reduce monthly payments. For many young families, these loans reduce their monthly payments enough to allow them to qualify for a mortgage for their first home.

In my view, we need to make every possible effort to assure that consolidation is a benefit to students—not just another obstacle course. A New York Times article about the series of problems which has plagued the FDLP consolidation program operated by the Department of Education under contract with Electronic Data Systems Corp. brings to life the individuals whom this legislation is trying to help.

Consider the following account regarding Shannan Elmore:

> It seemed like a simple enough thing to do: consolidate 10 different Government-sponsored college loans due over 10 years into one jumbo loan payable over 25, slashing the monthly payment to $350 from $448. That was one of the last things standing between Shannan Elmore and mortgage approval for the house—the one whose concrete foundation her husband had proposed in front of—that she wanted to build near Boulder, CO. But Mrs. Elmore, a 30-year-old chemist who graduated in May 1996 with a master's degree and $43,000 of debt, said it took eight months for the Electronic Data Systems Corporation to do the paperwork—far too long to satisfy the mortgage lender. During those months, Mrs. Elmore said, she called frequently only to be put on hold—for as long as 45 minutes—and received one promissory note missing the very page her lender needed to see. She said she was still trying to clear up a loan that E.D.S. thinks it paid off twice and for which it is double-billing her. The Elmores eventually qualified for a mortgage, but for a different house.

Mr. President, I ask unanimous consent that the full text of the article, which appeared in the New York Times on October 1, 1997, appear in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. JEFFORDS. Mr. President, Department of Education officials have been working diligently to resolve the problems with the consolidation program and have indicated that it will reopen by December 1. I believe we would all welcome seeing the program back on its feet. In the meantime, we need to give students another option right now.

We also need to help alleviate the pressure on the direct consolidation loan program which will inevitably occur when it reopens—only to face the pent-up demand built up over a 3-month period. Prior to the shutdown, applications were running approximately 12,000 per month.

This legislation is intended to provide immediate relief to students and is designed specifically for that purpose. It modifies the current FFELP consolidation program to assure that loan subsidies are maintained, to provide for the same interest rate in effect for FDLP consolidation loans, and to protect borrowers against discrimination.

The bill does not, nor is it intended to, address every issue which has been raised with respect to the loan consolidation provisions of the Higher Education Act. In anticipation that these issues would be fully debated and addressed in next year's reauthorization of the act, the consolidation provisions of this legislation will expire on October 1, 1998.

Finally, this legislation also includes important provisions dealing with the calculation of student aid under the Higher Education Act.

The Taxpayer Relief Act of 1997 contained two educational tax credits designed to help students and their families pay for the rising cost of higher education. Under current law, the need analysis formula will consider students and their parents who receive the tax credit as having greater resources to pay for college, thereby reducing their eligibility for student financial aid. As a result, students and their families will find their financial aid reduced and that the amount they expended for higher education remained relatively unchanged by the educational tax credits.

If the change in the need analysis formula included in this legislation is not made, approximately 69,000 individuals will lose an estimated $120 million in student financial aid.

I do not believe that this needed relief for students should be further delayed, and I urge my colleagues to

withdraw their objections so we can get this measure to the President.

Mr. President, I want to just please urge those who are opposing the consideration of this bill to at least take the time to fully understand the ramifications of their failure to allow this bill to come up. I am sure that when they do so, they will recognize that this is not something which should be left undone before we leave here this fall.

EXHIBIT 1

AMERICAN COUNCIL ON EDUCATION,
OFFICE OF THE PRESIDENT,
Washington, DC, October 28, 1997.

DEAR SENATOR: I write on behalf of the undersigned to express our strong support for S. 1294, the "Emergency Student Loan Consolidation Act of 1997." This urgent legislation contains two important provisions, each of which provides significant benefits for students.

First, the bill amends the student aid need analysis section of Title IV to exclude from parental or student income the amount of any tax credit claimed under the "Taxpayer Relief Act of 1997." This is an essential conforming change that is necessary to fulfill the intent of framers of the tax bill regarding the Hope Scholarship and Lifetime tax credits.

Second, the bill provides temporary, but much-needed, relief for tens of thousands of borrowers whose access to Direct Consolidation loans has been limited due to the problems experienced by the Department of Education in implementing the Consolidation program. While we hope the Department will soon eliminate the massive backlog of applications, and that it will be able to accept and process applications soon, it is important to provide additional consolidation options for borrowers who desperately need help now. S. 1294 will provide several significant borrower benefits:

The bill allows borrowers to consolidate their student loans not only through the Direct Consolidation program, but also through the lender of their choice in the Federal Family Education Loan Program (FFELP).

It lowers the interest rate on FFEL Consolidation loans, and sets a maximum cap on interest at the same rate as is currently in effect for Direct Consolidation loans.

It equalizes the treatment of certain interest exemption benefits for all borrowers by extending the Direct Consolidation program's treatment of these exemptions to the FFEL Consolidation program.

The bill provides adequate non-discrimination provisions that go beyond current law in FFELP in limiting lender discretion.

We respectfully request that you join us in supporting this important legislation, which provides a broad array of much-needed student benefits.

Sincerely,

STANLEY O. IKENBERRY,
President.

On behalf of the following:

American Council on Education.

American Association of Community Colleges.

American Association of State Colleges and Universities.

Association of American Universities.

National Association of Graduate and Professional Students.

National Association of Independent Colleges and Universities.

National Association of State Universities and Land-Grant Colleges.

United States Public Interest Research Group.

United States Student Association.

EXHIBIT 2

[From the New York Times, Oct. 1, 1997]

DROPPING THE BALL IN JUGGLING LOANS; A LOT OF FUMBLES BY E.D.S. IN PROCESSING STUDENT DEBT

(By Carol Marie Cropper)

DALLAS, SEPT. 30.—It seemed like a simple enough thing to do: consolidate 10 different Government-sponsored college loans due over 10 years into one jumbo loan payable over 25, slashing the monthly payment to $350 from $558. That was one of the last things standing between Shannan Elmore and mortgage approval for the house—the one whose concrete foundation her husband had proposed in front of—that she wanted to build near Boulder, Colo.

But Mrs. Elmore, a 30-year-old chemist who graduated in May 1996 with a master's degree and $43,000 of debt, said it took eight months for the Electronic Data Systems Corporation to do the paperwork—far too long to satisfy the mortgage lender.

During those months, Mrs. Elmore said, she called frequently only to be put on hold—for as long as 45 minutes—and received one promissory note missing the very page her lender needed to see. She said she was still trying to clear up a loan that E.D.S thinks it paid off twice and for which it is double-billing her. The Elmores eventually qualified for a mortgage, but for a different house.

Mrs. Elmore is one of tens of thousands of recent graduates who have endured months of red tape as E.D.S. has struggled during the last year to fulfill its contract with the Education Department to run the Government's four-year-old effort to gain control of the nation's student loans. The delays have resulted in a Congressional hearing, prompted calls for legislation and given a black eye to both the Education Department and to E.D.S., the giant computer services company that is based in the Dallas suburb of Plano.

At the hearing, held Sept. 18, Marshall Smith, Acting Deputy Secretary of the department, testified that it had taken E.D.S. almost five months, on average, to complete each loan consolidation, creating a backlog of 84,000 applications. To give E.D.S. time to catch up, the department ordered it to stop accepting new consolidation requests in August.

This very public stumbling has put expansion of the Government's so-called direct student loan program in jeopardy. Republicans who opposed the Clinton Administration's 1993 effort to move student loans away from banks and into the hands of the Education Department are back in force.

"What we said in '93 has come home to roost," said Representative Howard P. McKeon of California, chairman of the subcommittee of the Committee on Education and the Work Force that held the recent hearing. Critics of the program said that it was doomed to create inefficiencies and bottlenecks.

Under the direct-loan program, student loans are issued by the Government, instead of by banks or other private lenders. The program is supposed to simplify life for students, who often have to borrow from more than one bank and then keep track of loans that are sold to lenders in other parts of the country.

The program is also supposed to trim Government administrative and interest expenses paid to lenders in the separate student loan operation in which repayment is simply guaranteed by Washington. And it provides students with more lenient repayment methods—allowing them to pay based on their income. The direct program has proved popular with students: it now represents about $20 billion in outstanding loans, about 16 percent of the total student debt, and is being used by 36 percent of all students borrowing for college expenses. E.D.S. issues the direct loans and oversees their consolidation.

To help ease the consolidation logjam—and, not incidentally, slow the direct program's forward motion—critics of Government lending have scheduled a committee vote Wednesday on a measure that would allow students to consolidate loans through a bank even if one or more of the loans had been issued by the Government. That option is not currently available to them. If the measure is approved, it would go to the full House for consideration.

Both E.D.S. and the Education Department say the logjam results from an unexpectedly large influx of consolidation applications and from a surprising amount of complexity in the process. E.D.S. said it had based its winning bid for the contract on department specifications that had forecast much less work. The department said it expected 7,000 to 8,000 applications each month; the actual rate was 12,000 a month.

But analysts that follow E.D.S., along with an executive of the Maryland company that previously held the contract, suggest another explanation—that an E.D.S. eager to win business may have underbid the job in 1995 by underestimating how many workers would be needed. E.D.S. has had to add 77 customer service representatives to the 100 it originally assigned to the contract, and last year it replaced the managers running the project.

Education Department officials acknowledge that they do not have the expertise to guide such a complicated computer effort. "A lot of the problems we run into with government is we don't block and tackle correctly," Thomas Bloom, inspector general for the department, testified at the Sept. 18 hearing. The General Accounting Office, the Congressional watchdog, has repeatedly questioned the department's technical ability to handle financial aid information.

George Newstrom, an E.D.S. corporate vice president for government contracts, said the company did not improperly underbid. "We don't do that," he said E.D.S. would have had enough employees to do the work if the Government's estimates had been correct, he said.

But E.D.S. has acknowledged that it miscalculated on other contracts that were bid around this time. In August, E.D.S. said that it had re-evaluated profits related to about a dozen contracts booked in 1994 and 1995, lowering the numbers. The changes cost the company $80 million in pretax income.

Investor concerns over those errors combined with disappointing quarterly earnings to drive E.D.S.'s stock from a 52-week high of $63.375 last October to $35.50 today. The company is in the middle of a revamping that will shed 8,500 of its 100,000 jobs.

E.D.S. dismissed at least one of the managers responsible for the troubled contracts, according to Myrna Vance, E.D.S.'s corporate vice president for investor relations.

Mrs. Vance said the student loan account was not on the problem list in August. It is

too early to tell whether the need to assign additional service representatives will mean lower profits there, she said.

The company's February 1995 bid to the Education Department was submitted at a time when, analysts say, E.D.S. was in a period of flux and managers were especially eager to win contracts.

E.D.S. was still adjusting to bruising competition from I.B.M., which had barged onto its turf in 1991 with aggressive bids for contracts that had long gone to the Texas company. Also, top E.D.S. management was distracted by the company's planned 1996 spinoff from the General Motors Corporation, which had bought the company from its founder, Ross Perot, in 1984. The spinoff would remove E.D.S. from G.M.'s protective wing, leaving it to stand or fall on its own.

E.D.S., long the industry leader in handling computer services for big clients, finished 1995 with $12.4 billion in revenue, up from $10 billion the year before. But according to a Merrill Lynch analyst, Stephen T. McClellan, the company was finding it increasingly difficult to keep up the double-digit earnings growth it had come to regard as its due. Worse, I.B.M. was gaining on E.D.S. for total contracts won and would roar past in 1996.

It was in this atmosphere that E.D.S. prepared its $162 million bid to issue and consolidate direct loans over a five-year period. The bid was at least 50 percent lower than the one submitted by the Maryland company that had been doing the job, the CDSI/Business Applications Solutions unit of Computer Data Systems Inc. E.D.S. soon won a second five-year contract, worth $378 million, to service the loans.

Thomas A. Green, president of the CDSI unit, said that his company had already started to see a surge in interest in the direct-loan program—and the Education Department should have know that. "We were sending out applications all the time, so it was clear that the popularity of the program was growing," Mr. Green said. "They weren't blind-sided at what it was going to be when they took over," he said of E.D.S.

Mr. Green also said his company was never as backlogged as E.D.S. has been. He said CDSI consolidated 144,000 loans in the 22 months between January 1995 and November 1996, when it finished its work. The average consolidation took 65 to 70 days, he added.

That compares with an average of 142 for E.D.S., according to Mr. Smith, the Education Department official. E.D.S. has processed about 54,000 loans since taking over last September, he told the House panel.

One of those affected by the delays is Robyn Higbee, who says she went back and forth on the phone for six months to consolidate two of her husband's law school loans totaling $18,500. Mrs. Higbee struggled with this as the family moved from Virginia to California, her husband studied for the bar exam and started a new job, the couple bought their first home and she gave birth to a baby who required heart surgery.

"It was just something that was totally unnecessary," Mrs. Hibgee, 25, said of the loan complications.

Randolph Dove, a spokesman for the company in its Washington-area office, while not familiar with the details of Mrs. Higbee's and Mrs. Elmore's cases, said that E.D.S. regretted the difficulties any students have had. "We've been working very hard and have a lot of people dedicated to resolving this," he said.

Over all, E.D.S. has recovered from its dry spell in winning contracts. I.B.M. won $27 billion in new business last year, compared with E.D.S.'s $8.4 billion, according to Greg Gould, a computer services analyst at Goldman, Sachs, but this year E.D.S. has already won or is close to signing $16.4 billion worth of contracts. Also, gross margins are up for the work E.D.S. managers are bringing in—25 percent rather than the 16 percent on contracts in 1994 and 1995, Mr. Gould said. And top management has increased its control of underlings who may have been tempted to bid too low to win a contract, he added. "There's that winner's curse," he said. "You want to win and you just lower your price until you win the contract."

The prognosis for direct student loans is murkier. E.D.S. expects to have the kinks out of its system and its backlog erased by Dec. 1, Mr. Dove said. Students can then start applying once more for consolidations, he said.

But the concern over the logjam is undercutting the Government's plans to expand the program. Representative McKeon, who introduced the legislation now before the education committee, concedes that there are not enough opponents of direct loans to kill the program outright. But his bill would at least end the Government's monopoly over consolidation that restricts all students who have any direct loans.

For E.D.S.'s part, Mrs. Vance said that the publicity would not have much impact on the company's prospects. "One contract is not going to set a trend or be a deterrent for new business," she said.

The Education Department, however, is considering whether to cancel the $378 million contract with E.D.S. for servicing the loans. Such a move could come because applications for new loans are, oddly enough, now running below expectations. A cancellation would not be related to the problems with the consolidations, a department spokesman said, adding that another company's servicing contract is also in jeopardy.

But even some of the lawmakers who mostly blame the Education Department for the program's troubles are asking whether E.D.S. should be punished by being docked part of its pay. Representative Peter Hoekstra, Republican of Michigan, said he might favor doing that.

Even without that penalty, however, E.D.S. will feel some pain, Mr. Hoekstra said, adding, "I wouldn't want to be identified as the vendor that forced the Federal Government to shut down consolidations in the direct-loan program with a backlog of 84,000 kids."

Mr. JEFFORDS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS—S. 1319

Mr. BYRD. Mr. President, I ask unanimous consent that the name of Mr. LEVIN, Mr. JEFFORDS, and Mr. LEAHY be added as cosponsors to S. 1319, a bill to repeal the Line-Item Veto Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. JEFFORDS. Mr. President, in behalf of the leader, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak for up to 5 minutes each until 3 p.m..

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BRYAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRYAN. Mr. President, I ask unanimous consent to speak as if in morning business with the understanding that if the distinguished floor leader is prepared to move forward, I am prepared to yield the floor back to him for purposes of conducting his business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRYAN. I thank the Chair again.

NUCLEAR WASTE POLICY ACT OF 1997

Mr. BRYAN. Mr. President, yesterday, in perhaps the most antien vironmental vote of the Congress, the House of Representatives passed the Nuclear Waste Policy Act of 1997. Like the Senate bill that passed earlier this year, the House bill unfairly targets Nevada, a State with no nuclear reactors, as the final destination for 80,000 metric tons of high-level nuclear waste produced by the U.S. commercial nuclear utilities, most of which are located in the East.

The central feature of the bill passed by the House yesterday, like the Senate bill, is the establishment of so-called interim storage of high-level commercial nuclear waste at the Nevada test site, about 80 miles north of the metropolitan Las Vegas area, an area that comprises some 1 million citizens.

Like its Senate counterpart, the House bill tramples on decades of environmental policy, ignores public health

and safety and exposes the American taxpayer to billions of dollars in cost to solve the private industry's waste problem.

Fortunately, the President has indicated that he will veto either version of this misguided legislation. We have secured the votes in the Senate to sustain President Clinton's veto.

While yesterday's House vote falls slightly short of the number required to sustain a veto in the House, we are still within striking distance of the required number, and I believe that in the end this bill has little or no chance of becoming law.

As I have discussed many times here on the Senate floor, the nuclear power industry's legislation is nothing but corporate pork, plain and simple. It is a bailout for a dying industry at the expense of both the pocketbooks and the health and safety of the American public.

Nevada, as the industry's chosen destination for its waste, has obvious objections to this legislation. But, Mr. President, other regions are also rightfully concerned with the potential impact on their citizens. Under this legislation, in just a few short years, 16,000 shipments of toxic, high-level nuclear waste will be transported by rail and highway through 43 States. More than 50 million Americans live within 1 mile of the proposed rail and truck routes.

The bill requires the transportation of waste through many of our largest metropolitan centers and provides no assurance that funds will be available to provide training and equipment for emergency responders.

Moreover, the bill makes a mockery of our Nation's environmental protection laws. It ignores the National Environmental Protection Act and would take precedence over nearly every local, State or Federal environmental statute or ordnance, including, among others, the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, and many more. It establishes radiation protection standards far lower than in any other Federal program and in complete contradiction to internationally accepted thresholds.

The bill provides little or no public input or comment by affected communities or individuals and establishes a whole new set of unreachable deadlines, repeating the very mistakes Congress made in 1982 with the original Nuclear Waste Policy Act.

All of this—the trampling of our environmental laws, the billions of dollars in subsidy to the nuclear power industry, and the grave threat to the health and safety of millions of Americans—is completely unnecessary. Nuclear utilities can and do store waste safely on site at reactors. In fact, the very same storage technology that the legislation contemplates using at the Nevada test site is currently used at reactor sites around the country, with many more sites soon to follow. No reactor in the United States has ever closed for lack of storage.

Despite the scare tactics of the nuclear power industry, there is no storage crisis. Objective scientific experts agree that there is no storage crisis. The Nuclear Waste Technical Review Board, an independent oversight board created by the Congress, found in March of 1996, and repeated again this year, that there is no compelling technical or safety reason to move spent fuel to a centralized interim facility for the next few years. Nevertheless, the nuclear power industry has been relentless in its efforts to move its waste to Nevada as soon as humanly possible, no matter what the consequences.

Mr. President, we will continue to do whatever we can to stop this legislation from passing. With a firm veto threat in place and without the votes to override the veto, I encourage the leadership of both the Senate and the House of Representatives to stop this exercise in futility. Stop wasting Congress' time on ill-founded legislation that stands little or no chance of being enacted.

The American people deserve more from us than wasting our time on billion-dollar subsidies for an industry that has spent too long already at the public trough.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CAMPAIGN FINANCE REFORM

Mr. BUMPERS. Mr. President, I came over to speak on a beautiful, lazy Friday afternoon—that is one of the times you can get the floor without having to sit around too long—and talk about three or four items that I have just been reflecting on—nothing heavy.

But to take up campaign finance reform first, that issue has had the Senate tied in knots, now, for about 6 weeks, so tied in knots that we are not going to be able to finish the work that we ought to finish, particularly on the highway transportation bill, and that is a real tragedy. Nevertheless, I have felt very strongly about this issue for a long time, so strongly that earlier this year I introduced my own bill to provide for public financing of campaigns.

I think I could probably say without fear of contradiction—and at my age I am not likely to live long enough to see this country go to public financing—and yet in my opinion that is the only solution: If you take all private money out of financing of campaigns in this country then you know that any private money in a campaign is a violation.

Senator THOMPSON has just announced—essentially announced—the shutting down of the hearings on campaign finance reform. Nobody's fault—I thought Senator THOMPSON did a credible job. I thought all the members of the committee did. But there really was not very much there, except occasional abuses, cases of neglect, inattention, and heavy partisanship, but very little in a way that could remotely be construed as illegal. Yet, for all the abuses—and there were some—uncovered and testified to and about during those hearings, there is not any strong sentiment here to change the system under which those abuses occurred. If we do nothing this year, we do nothing next year, you can rest assured the abuses will continue.

I come from the Democratic Party. Of course, when it comes to raising money, we are a threatened species. But completely aside from the politics of the issue—and the fact is that the Republicans outraise us—I think our Democratic National Committee is in debt by $15 million. I saw a big story in the paper this morning that the Democratic National Committee was going to raise $2.5 million at a retreat in Florida this weekend, and the story acted as though there was something ominous and maybe certainly unethical about it. But it didn't seem that way to me at all, not under the existing system. There is nothing wrong with people giving $50,000 a couple to attend a weekend retreat. That is a pretty steep price, but people do it every weekend in both parties. The price is just not normally that high.

But I also feel that as long as we allow that sort of thing to continue, we are effectively selling off the Government to the highest bidder. I said on the floor, and it bears repeating, you cannot expect a democracy to function as it is supposed to function when money plays the role it plays in our campaigns. So, I hope that, come next March or whenever they have agreed to, if there has been such an agreement, that we can address the McCain-Feingold bill. I am a cosponsor of the bill, but I must say it pales compared to what I think ought to be done, namely go to public financing and take private money out of it.

I saw a list in the Washington Post yesterday of all the incumbents and how much money they had in the bank and how much the challengers had. And the incumbents are all friends of mine. This is not to belittle them. They are simply taking advantage of the system as it is. But the incumbents have millions in the bank and the challengers had virtually nothing. As a country lawyer from a town of 1,200 people who jumped up from a private practice to run for Governor—which

most people considered insane, trying to get me to submit to a saliva test—believe you me, I know the power of incumbency and I faced it.

In the first primary, I spent $90,000. You couldn't get on the evening news for a week for that today.

I don't want to get too preachy about it. This is something you can get preachy about. But the fact is, I see campaign finance reform now in a different way than I saw it even as recently as 2 or 3 years ago. I see it now as a real threat to this Nation. It is no longer, at least it should not be, a partisan matter. It is, and it shouldn't be, because everybody's future is at stake.

I saw in the paper this morning where one of the candidates in Virginia is going to be given $1 million by his party. I saw last week where one of the candidates for Susan Molinari's spot, I guess it is in New York, that one of the parties is dumping $800,000 into that campaign and that person's opponent had $35,000 in the bank. You don't have to be brilliant to know how those races are going to come out. Television does it all and you cannot get on television without money. That is what these massive contributions are all about.

Whoever has the most money 94 percent of the time wins. You can hardly call that a democracy because, as I say, it is threatening.

REDUCING THE DEFICIT

Mr. BUMPERS. Mr. President, there is a lot of talk now since the President has announced that the deficit this year for 1997 is, I believe, $22.6 billion. That is an incredible figure. In 1993, you are looking at a Senator who was genuinely concerned, really concerned, not just concerned, alarmed about where we were heading with these massive deficits of $290 billion a year, and no one seeming to want to do something about it, either cut spending or raise taxes, both of which would be necessary to address the problem.

I have said on the floor before, so far as I am concerned, regardless of what President Clinton does before or from now on, his legacy is going to be the bill in 1993 that addressed that problem in a very courageous way, so courageous it cost a lot of Members on my side of the aisle their seats. But it reduced the deficit from $290 billion a year, and it is reduced to this year $22.6 billion. That is an awesome, awesome result, and one in which the people in this country ought to take great pride.

Then I hear on the House side where the Speaker said, if we have a surplus left next year, he would like to have it go on to defense spending. Completely aside from what I want to say on the subject, that is not where I want it to go. I want the so-called surplus to go right into the National Treasury, because even though the deficit this year is $22.6 billion, that does not include $114 billion that we are using in trust funds—Social Security, airport, highway trust funds—to get to that point.

So while we are all patting ourselves on the back, Senator HOLLINGS says giving ourselves the Good Government Award, for doing something about the deficit, we should not ever lose sight of the fact that the $22.6 billion is not the deficit. The deficit is $22.6 billion plus the $114 billion we are spending in trust funds by borrowing, and until we add $114 billion in surplus to the $22.6 billion in deficit, we will not have a balanced budget.

I agree with Alan Greenspan—I don't always agree with him—but I agree with him on one thing. Even using the jargon of the Senate and assuming that $22.6 billion is the deficit, that is not the honest deficit, but assuming that it is, if we have anything in excess of that next year, I would like to see it go into the Treasury, because the more we pay on the national debt, the lower interest rates are going to go, and the lower interest rates go, the better off the economy is going to be.

INTERNAL REVENUE SERVICE

Mr. BUMPERS. Mr. President, everybody has heard that old expression about fools walk in where angels fear to tread. I have heard as a practicing lawyer, as a citizen and certainly as a Member of the U.S. Senate, as many tales about the IRS as anybody in this body. There have been unbelievable abuses, a lot of which have been aired in the hearings that Chairman ROTH held in the Finance Committee.

You don't get accomplished diplomats for what we pay auditors in the IRS. Oftentimes, you get somebody who really is, indeed, abusive. Even though he is spending the taxpayer's money he is auditing, he can be very unpleasant. It isn't just the abusiveness of the auditors. Occasionally it is also their incompetence.

I was trying to help somebody one time and made a phone call back when I was practicing law. "We can't talk to you; send us a letter authorizing us."

I was a little offended by that, but at the same time, I understood. Anybody could call and say, "I'm calling on behalf of" somebody else. They don't know who they are, so I had to get an affidavit from my client and send it in saying I was authorized to represent her in a tax dispute.

But my point is all this legislation to abolish the IRS without putting anything in its place is not all that troubling to me because something has to give. You can't abolish the IRS and abolish the Tax Code without replacing it with something.

What you replace it with certainly ought not to be a flat tax. So far as I am concerned, the flat tax was created by the Flat Earth Society. A flat tax, No. 1, is not ever going to pass here because invariably it does not allow people to deduct interest on their homes. It doesn't allow charitable contributions. The church people, the universities of the country who depend so extensively on giving are not ever going to sit still for a flat tax. If the middle- and lower-income groups of the country knew what the flat tax would do to them, they wouldn't stand still for it.

I can promise you that under every flat-tax scenario I have seen, people who make between $30,000 and $100,000 are going to wind up paying more, and people who make more than that are going to wind up paying less. I have not seen one single flat-tax proposal that doesn't take all the progressivity out of the Tax Code.

I can tell you, I only have 1 more year in the Senate, but I am not going to vote during that year for anything that even smacks of a flat tax. Oh, everybody thinks it is so simple. Do you know why the Tax Code is so complex? Because of the U.S. Congress. They drafted it. We just got through adding about 800 pages to it with the so-called balanced budget bill.

Of course, it is complex. When you consider the myriad of transactions that occur in this country and you are trying to deal with all of them and there are lobbyists all over the city asking for special favors—this little thing in our business, and this little thing in our business—that is the reason the code is indecipherable today. So don't blame the IRS because the Tax Code is indecipherable, blame the U.S. Congress. We are the ones who drafted every word of it.

So, Mr. President, bear in mind that for the last year—and the IRS has many statistics on it—there is about $100 billion, somewhere between $92 and $95 billion in tax evasion every year.

What does that mean? Let's assume in the year 1997 that we collected $600 billion in personal income tax, and that is probably pretty close to correct. Assume further that the IRS had been able to collect the $100 billion which is not being paid that ought to be paid. You could reduce taxes by $100 billion. That would be pretty nice.

You hear all kinds of talk around here about tax cuts. But nobody ever wants to give the IRS any more money to enforce the Tax Code against those people who are paying no taxes. One of the reasons our taxes are as high as they are is because of the underground economy operated by people who deal in cash and do not pay taxes for the privilege of being an American citizen.

I am inclined to support—I read an op-ed piece in the Post this week strongly opposed to this idea. I do not know whether it was this week or not. But this business of shifting the burden to the IRS from the taxpayer has some merit.

I offered a bill in 1980, and it passed the Senate. It never passed the House,

but it passed the Senate. The Republicans liked it so well they put it in their platform in the convention in 1980. But I had a provision that said, any time a regulator comes into your plant and charges you with a violation, you would have to sustain the burden of proving that that regulation was valid.

If somebody comes into your plant and says, "Your fire extinguisher is 2 inches too high off the floor and, therefore, I'm fining you $100," it would be incumbent, under existing law, for the person who owned that plant to prove that Congress did not intend for him to pay a fine because his fire extinguisher was 2 inches too high off the ground.

Under my bill that passed the Senate in 1980, the burden would have shifted to the regulator, the guy who is trying to impose the fine. He would have to prove that the regulation is valid and within the intent of Congress. You shift the burden. But my bill excluded the Internal Revenue Code. I won't go into all the reasons we did that. It did not seem workable.

But now I am going to look very closely at this proposal of BILL ARCHER's, from the House, to shift the burden to the IRS when they allege that somebody is deficient or made a mistake on their tax return or generally state when the IRS is accusing somebody of owing money, they will have to sustain the burden of proving that instead of shifting the burden immediately to the taxpayer.

Mr. President, I had one or two other issues I was going to talk about. But in the interest of expediting this evening and allowing people in the Senate to get out of here—they all look at me with mean looks, so I know everybody is wanting to shut this place down—I will forgo a couple of other items and save them for next Friday afternoon.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. NICKLES. Mr. President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE MOTOR SAFETY DEMONSTRATION PROJECT

Mr. DORGAN. Mr. President, section 344 of the National Highway System Designation Act of 1995 required the Department of Transportation to implement a motor carrier regulatory relief and safety demonstration project. The purpose of this project was to determine whether certain motor carriers with exemplary safety records could operate safely with fewer regulatory burdens.

Specifically, the Department was required to establish a pilot program for operators of vehicles between 10,001 and 26,000 pounds, under which eligible drivers, vehicles, and carriers would be exempt from some of the Federal motor carrier safety regulations.

The safety data generated from this project was to serve as the basis for assessing the appropriate level of future safety regulation for the motor carrier industry.

The statute was clear. Section 344 required the Department of Transportation to ensure that participants in the project would be "subject to a minimum of paperwork and regulatory burdens necessary to ensure compliance with the requirements of the program" and to "represent a broad cross section of fleet size and drivers of eligible vehicles".

Mr. President, I would inquire of the Majority Leader, what is the status of the motor carrier regulatory relief and safety demonstration project which we mandated in 1995?

Mr. LOTT. Mr. President, I thank the Senator for raising this issue. The letter and intent of the law concerning this program are not being carried out at all.

The National Highway System Designation Act passed in 1995, and section 334 mandated the motor carrier regulatory relief and safety demonstration project. It required the Department of Transportation to implement this project no later than August, 1996. However, the Department of Transportation did not even publish Final Guidelines for the project until June 10 of this year—1 year later than required by law.

Mr. DORGAN. I am, to be honest, somewhat taken aback by the Department of Transportation's obvious delay in implementing a congressionally mandated program. And I understand that delay is not the only problem afflicting this program.

The Final Guidelines, only published this year, appear to fall far short of what was intended in section 334, both in terms of reducing paperwork and regulatory burdens and attracting a broad cross section of participating businesses. Potential business participants invested many months of effort attempting to work with the Department of Transportation to create a functional program. However, the Department's Final Guidelines still create unreasonable barriers to motor carrier participation, produce uncertainty in implementation and enforcement, and fail to reduce business paperwork.

Mr. LOTT. Mr. President, I would add that, at this time, there is not a single applicant for the motor safety demonstration project.

This has not kept the Department from heralding the project as a centerpiece of their so-called regulatory reform. For example, in the August 11, 1997 issue, of the industry publication "Transport Topics," the Department's Associate Administrator for Motor Carriers, George Reagle, referred to the project as a key part of the administration's effort to "provide common-sense government * * *." which offers "the opportunity to further regulatory reform". Mr. Reagle further stated that "This early step toward reform will set the tone for our entire regulatory future * * *."

A centerpiece with no participants is an empty centerpiece. Words of self-praise are an inadequate response. The law was clear and implementation is overdue.

Mr. DORGAN. Mr. President, it seems to me that if there has not been a single participant in this program—which was intended as a way to relieve the regulatory burden on those companies that have demonstrated a good safety record—then something is amiss with this program.

I would hope that the Department would take a second look at this program and give serious consideration to making some changes that will permit the program to work in the manner in which Congress intended. It is clear that Congress desired to establish a means to achieve some regulatory relief and, thus far, we have not seen that result.

Mr. LOTT. Mr. President, I fully agree with the Senator. I do not believe the Department has followed the provisions established under the National Highway System Designation Act. I am disappointed.

The Senate Committee on Commerce, Science and Transportation has been working to advance legislation expanding the Department of Transportation's use of pilot programs and regulatory exemptions. I will be working with the committee to help reduce, as much as is safely possible, some of the unnecessary regulations and paperwork imposed on the motor carrier industry.

Given the Department's handling of the motor safety demonstration project to date, I am very concerned about the Department's sincerity in implementing such legislatively mandated programs. I will also be working very closely with the committee to ensure that the mandates we have already passed are complied with by the Department of Transportation.

AMERICAN MANUFACTURING AT ITS BEST

Mr. FORD. Mr. President, today I rise to pay tribute to the Paducah gaseous diffusion plant [PGDP] in Paducah, KY. On October 20, 1997, Industry Week Magazine recognized the Paducah facility as one of "America's 10 Best Plants" from among 275 plants nominated for the honor in 1997.

According to Industry Week, a national publication which annually salutes the top performing manufacturing facilities in North America, the dual purposes of the competition are "to recognize plants that are on the leading edge of North American efforts to increase competitiveness, enhance customer satisfaction, and create stimulating and rewarding work environments; and, to encourage other North American managers and work teams to emulate the honorees by adopting world-class practices, technologies, and improvement strategies."

There is no question that the Paducah facility, a federally owned nuclear fuel enrichment plant managed by Lockheed Martin Utility Services, meets these criteria. In fact, it is a model for any manufacturing plant in any industry in the country. Over the past 10 years, the Paducah plant has nearly tripled output from 2.3 million units per year to 6.8 million units per year. And this amazing increase in productivity was achieved using existing equipment and machinery. Similarly, the percentage of production units inline has risen from 57 percent of capacity in August 1993, to an impressive 96.9 percent in April 1997. To top it all off, the Paducah facility boasts 100 percent on-time delivery for the past 5 years with a zero product defect rate. Now that, Mr. President, is what quality American manufacturing is all about.

On July 25, the Clinton administration gave formal approval to move forward with privatization for the U.S. Enrichment Corporation [USEC], the Government entity that currently owns PGDP. Hopefully, this process will be completed early in 1998. As I have maintained for the better part of 10 years, privatization will not only enable Paducah to utilize cutting edge technologies to keep it competitive in the world uranium market, it will also keep thousands of productive employees on the job well into the next century.

Mr. President, I ask unanimous consent that the article entitled "Lockheed Martin Utility Services" be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Industry Week, Oct. 20, 1997]

LOCKHEED MARTIN UTILITY SERVICES

(By John H. Sheridan)

Perhaps it has something to do with the fact that the huge production facility he runs is located smack dab in the middle of a 4,000-acre wildlife refuge—complete with pesky beavers and a herd of deer. Or maybe he just enjoys telling animal stories. But if you ask Steve Polston about the management philosophy that drove culture change—and an impressive business turnaround—at the Paducah Gaseous Diffusion Plant (PGDP) in Paducah, Ky., be prepared for a few lessons in zoology.

For instance, there's his yarn about the "tiger rabbit"—a creature that has become the stuff of western Kentucky legend.

Polston, who is general manger at PGDP, a nuclear-fuel enrichment facility owned by the federal government and managed by Lockheed Martin Utility Services, likes to show a picture of one of these critters. It's your basic rabbit, but it has black-and-orange stripes. "It might look a little bit like a tiger," says Polston, "but you can't expect it to act like a tiger."

In a sense, that was his perception of the PGDP complex about five years ago, when the initial steps were taken to begin transforming the 1,550-employee facility from a financially struggling unit of the U.S. Dept. of Energy (DOE) into a businesslike operation. An important step was passage of the Energy Policy Act of 1992, which spun the Kentucky facility out of DOE—along with a sister plant in Portsmouth, Ohio—and into a newly created government entity, the U.S. Enrichment Corp. (USEC). Legislation adopted in 1996 set in motion a plan to eventually privatize the business.

"In the beginning," says Polston, "we knew we weren't a real business—even though they called us a business."

For one thing, the culture of the plant was mired in a can't-do mentality, the legacy of years of bureaucratic oversight. For another, costs were out of control. "We had been losing market share because our costs were going up rapidly," Polston recalls. In the early 1990s DOE analysts had projected that USEC's world market share would drop from 46% to less than 20% by the year 2000. And there was speculation that the two plants might close for good early in the 21st century—a rather ominous projection, since the USEC plants together supply 80% of the fuel to run nuclear powerplants in this country. If they shut down, the U.S. would no longer be self-sufficient in nuclear-fuel-processing capability.

In trying to turn things around, the first challenge was to get costs under control. But it was clear that would require cultivating new attitudes—in the management ranks as well as among the unionized workforce, which is represented by the Oil, Chemical & Atomic Workers (OCAW) Local 3550 and the United Plant Guard Workers of America.

Explaining PGDP's approach to cost-control issues, Polston sets the stage with—you guessed it—another animal story. When an elephant is young, he points out, it is trained to stay in place by a short tether attached to its leg and tied to a stake. After years of conditioning it associates the tether with an inability to move about freely. "When an elephant grows up," Polston explains, "you can hold it in place with a piece of old clothesline. After I came here six years ago, I began to envision us as a big elephant restrained by a small rope. Our workers thought it was impossible to get our costs down."

One way to begin changing that mentality was an infusion of new management blood. Polston began recruiting senior managers with backgrounds in commercial nuclear power—people who understood the realities of a competitive business environment. "I wanted to break that rope," he explains. "I wanted their private-sector mentality to rub off on us."

He also began preaching the merits of cycle-time reduction and elimination of non-value-added activity. At the same time, training, communications, and quality and teamwork initiatives were intensified—with the support of OCAW union leaders.

A primary cost-reduction thrust has been to emphasize the use of lower-cost, nonfirm power, since electricity represents 60% of the facility's total costs. To accomplish this, the plant took a more aggressive approach in using freezer/sublimer equipment developed by the Paducah engineering staff, as well as a sophisticated computer system, enabling the plant to reduce power consumption during high-price periods and then make up the production slack by increasing power usage during off-peak hours when rates are lower.

A second key initiative—which called for broad involvement by the workforce and rigorous adherence to procedures—was to improve the reliability of process equipment. A strong preventive-maintenance program was beefed up, and workers were encouraged to participate widely in a problem-reporting system that has cultivated a continuous-improvement mentality. When an employee points out a problem or potential problem, it goes into a corrective-action system that plant officials describe as a "bear trap" that forces follow-up activity. In some cases, joint union-management teams are formed to investigate and implement solutions. In 1996 the problem-reporting/suggestion system identified 6,000 plant issues—generating about 10 times as many improvement ideas as in years past.

When an employee fills out a problem-report form, he or she is required to include suggestions on how to solve the problem. "Some of the suggestions have been very creative and insightful," Polston notes. "We identify low-threshold problems before they become bigger problems." Coupled with the problem-reporting system has been an extensive effort to train employees in root-cause-analysis methods.

At the core of PGDP's extensive employee-communications program has been an effort to translate business goals established by USEC into terminology and objectives that the entire workforce can identify with. After a winnowing process, emphasis was placed on three key goals:

Ensure an accident-free environment.

Strive to get 100% of the plant's production cells on stream.

Reduce the cost of SWUs—that is, "separated work units," a measure of the effort required to boost the U235 level in the uranium hexafloride (UF_6) processed by hundreds of "converters" in the four-building production complex.

To keep employees abreast of progress toward the goals, the latest performance metrics are posted on a large sign at the entrance to the property, so that when they drive in each morning workers know exactly how they're doing. In addition, color-coded charts posted in strategic locations provide at-a-glance updates on progress toward the current Top 10 plant objectives—which are established annually under the PGDP Quality of Operations plan.

So how they have been doing?

Well, the predicted falloff in market share never occurred. In fact, since 1992 USEC—which generates more than one-third of its annual revenues from sales to overseas customers—has increased its domestic market

share and boosted its export sales. In the last five years the Paducah plant has reduced its manufacturing costs by nearly 11% while establishing an enviable record of shipping product 100% on-time and 100% within specification—without maintaining an inventory buffer. And the folks at USEC headquarters in Washington have ample reason to be pleased with the bottom-line results.

"We're an example of efficiency in the public sector—and we make a tidy profit for the U.S. Treasury," says John R. Dew, who oversees training programs at Paducah and carries an unusual title—manager of mission success. "Our management team has taken a 45-year-old bureaucratic government operation and turned it into a profitable business that is at the top of President Clinton's list for privatization."

For 1996 USEC was able to report net income of $304.1 million on sales of $1.41 billon—an enviable 21.6% profit margin. If the U.S. Treasury Dept, the USEC's sole shareholder, eventually does approve the sale of the business to private interests—a move that could take place early next year—it will mean a nice windfall for Uncle Sam. By some estimates, the sale could prove to be the biggest U.S. privatization move ever, exceeding the $1.6 billion sale of Conrail in 1987.

Securing final approval of the sale could prove a bit sticky, however, since the new owners would obtain access to what is still considered highly classified technology—including AVLIS, a next-generation enrichment process being developed by USEC, in conjunction with Bechtel Corp.

Perhaps a little history will put the national security issues into perspective. The Paducah facility was built in 1952 by the old Atomic Energy Commission, under orders from President Harry Truman, to produce enriched uranium for thermonuclear warheads—as a hedge against possible war in Southeast Asia. The site met all of the official site-selection criteria established during the early years of the Cold War and at the height of Sen. Joseph McCarthy's anti-Communism crusade. For one thing, Paducah was more than 100 miles from any city with "known Communist activity."

In addition to the official criteria, the site selection no doubt also was influenced by the fact that Paducah was the home town of Alben W. Barkley, then U.S. vice president.

By 1964 the U.S. had developed an ample supply of weapons-grade nuclear material, and the Paducah facility was converted to production of fuel for nuclear power plants. In simple terms, the enrichment process involves heating cylinders containing solid UF_6 until it gasifies, then forcing the gas through a miles-long enrichment "cascade"—a series of converters separated by jet-engine-like compressors. In each converter, uranium molecules pass through a porous material, which gradually separates the lighter U235 molecules from the heavier U238 molecules—creating an "enriched" stream with a higher concentration of U235. The enriched stream is eventually withdrawn and cooled to a solid state in 14-ton cylinders.

Electrical power to drive the 1,860 motors in the system comes from two primary utilities—including a nearby Tennessee Valley Authority plant—along with electricity purchased in the open market and "wheeled" to the Paducah site. The power is distributed through four large power switchyards, one for each of the four processing plants. "Just one of these switchyards could handle the power needs of a city the size of Washington, D.C.," explains Terry Sorrel, customer-relations representative.

The heart of the production complex is a large circular control room that monitors the operation of all the equipment on site. One section of the control room, called the "Power Pit," manages the purchase and distribution of all electrical power used throughout the facility. "Our goal," says Ron Taylor, power-operations manager, "is to have a reliable power supply at the lowest possible cost."

Thanks to the sophisticated freezer/sublimer equipment, the power load can be quickly adjusted by freezing or subliming up to 200 tons of uranium gas. To reduce power requirements, UF_6 gas is withdrawn from the system and frozen.

Much of PGDP's progress during the last five years can be attributed to a cooperative union-management relationship, which has led to the creation of joint union-management teams at various levels. For example, an empowered union-management team developed a system to provide better heat protection to people working in high-temperature areas. Teams also have improved quality and maintenance efficiency (the site has 300 maintenance workers). And one team developed a six-year plan for facility upgrades.

Now, an effort is underway to expand the team concept by creating high-performance work teams that will be responsible for day-to-day operations. Added impetus for this initiative came from a visit by union and management representatives to another Lockheed Martin plant—a former "Best Plants" winner—in Moorestown, N.J. "Teamwork is a win/win situation, but we realized that we were functioning on a project basis," says Steve Penrod, operations manager. "At Moorestown, we saw a culture of teamwork in day-to-day activities."

Union officials support the high-performance team concept, says Mike Jennings, an OCAW representative for continuous-improvement programs. "It is a slow process, since it is a big change in culture," he says. "We aren't going to force teams on anyone."

Paducah has taken a team approach to operations performance improvement, placing heavy emphasis on a "conduct of operations" code that demands "rigorous attention to detail," says Penrod. As part of the effort, a team including hourly workers developed a "Code of Professionalism" that specified how employees should conduct themselves on the job.

Undergirding all of the performance-improvement efforts at Paducah has been an extensive communications effort—which includes "All-Hands Meetings" twice a year for 1,200 or more employees. "At these meetings, we reinforce our expectations, we discuss our performance measures, and we give people the opportunity to comment and raise any issues they may have," explains Howard Pulley, enrichment plant manager. "Among other things, they may tell us which of our systems are causing them to not be efficient."

Then there are "C2" meetings—in which small groups of employees focus on compliments and concerns. Every other month, 15 people are selected at random to participate. After discussion, the groups vote on their top three compliments—citing things that are being done well—as well as their top three concerns. "We follow up on their issues and then provide feedback," Pulley says.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING OCTOBER 24

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending October 24, the United States imported 7,482,000 barrels of oil each day, 1,104,000 barrels more than the 8,586,000 imported each day during the same week a year ago.

Americans relied on foreign oil for 54 percent of their needs last week, and there are no signs that the upward spiral will abate. Before the Persian Gulf war, the United States obtained approximately 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil? By U.S. producers using American workers?

Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the United States—now 7,482,000 barrels a day.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, October 30, 1997, the Federal debt stood at $5,430,869,894,529.83 (Five trillion, four hundred thirty billion, eight hundred sixty-nine million, eight hundred ninety-four thousand, five hundred twenty-nine dollars and eighty-three cents).

One year ago, October 30, 1996, the Federal debt stood at $5,237,762,000,000 (Five trillion, two hundred thirty-seven billion, seven hundred sixty-two million).

Five years ago, October 30, 1992, the Federal debt stood at $4,067,329,000,000 (Four trillion, sixty-seven billion, three hundred twenty-nine million).

Ten years ago, October 30, 1987, the Federal debt stood at $2,384,800,000,000 (Two trillion, three hundred eighty-four billion, eight hundred million).

Twenty-five years ago, October 30, 1972, the Federal debt stood at $439,230,000,000 (Four hundred thirty-nine billion, two hundred thirty million) which reflects a debt increase of nearly $5 trillion—$4,991,639,894,529.83 (Four trillion, nine hundred ninety-one billion, six hundred thirty-nine million, eight hundred ninety-four thousand, five hundred twenty-nine dollars and eighty-three cents) during the past 25 years.

DEPARTMENT OF DEFENSE AUTHORIZATION BILL CONFERENCE REPORT

Mr. JEFFORDS. Mr. President, for the past few days, the Senate has been considering the conference report to accompany the Department of Defense authorization bill for fiscal year 1998. While there are several areas of controversy, I would like to highlight one area that I believe has not been given

sufficient consideration: funding for the National Guard.

This bill contains a couple of disturbing provisions, not so much for their immediate impact, but for their long-term consequences. First, the proposal to add a representative for the Guard and Reserves on the Joint Chiefs of Staff, which I strongly support, has been watered down to call for two two-star advisors to the Chairman of the JCS. Mr. President, this is essentially the same role that the head of the National Guard Bureau has today. I do not see this as an enhancement of the Guard's status in the highest circles of decisionmaking. And I'm told that in the Pentagon, two two-stars don't equal a four. I am afraid that the current pattern of decisionmaking is responsible for the shortfall in resources for the National Guard that we see in the legislation before us, and if it is not altered in a significant manner, the National Guard is likely to have greater problems in the future.

The other provision that I would like to draw my colleagues attention to is the cut in Army National Guard personnel endstrength of 5,000. Mr. President, we all understand that over the next few years, endstrengths will come down for all the services. But what this bill does is to pick out one component of the military and require it to make a significant cut without calling on other components to begin their agreed-upon reductions. In fact, this bill forces reductions in the only part of the U.S. Army to actually meet its endstrength requirements. I am not sure that all my colleagues realize that because the Army National Guard is actually over its required endstrength by about 2,000 people, the legislation will force the layoff of more than 5,000 young men and women who are currently serving their country. Whereas if similar cuts were to come in the active component, the cuts would be implemented in large part by eliminating unfilled positions. This does not seem to me to be the way to maintain a dedicated cadre of military professionals.

Finally, I speak out today because I am concerned that this legislation may be taken as a sign by some as a change in Congress' attitude toward the National Guard. I very strongly believe that the future of the U.S. Armed Forces must include a greater role for the Guard and Reserves, not a diminished one. As defense resources shrink, as the nature of our employment structures change, and as we develop better tools for keeping our weekend warriors up to speed as top quality practioners of their military arts, we must put more of our faith in that part of the U.S. military that is closest to the people—the National Guard.

For too long, Congress has been seen as the primary bastion of support for the Guard and Reserves—not the Pentagon. An example of this is the administration's request for no new procurement funds for fiscal year 1998 for the Army Guard and Air Guard, out of a total procurement budget request of $42,883,000,000. This is not only unrealistic—it is dangerous. And until the administration sends up a more balanced request, Congress will have to continue its vigilance on behalf of the Guard. But this is not the way it should be, Mr. President, and I am disappointed that the bill before us today did not take advantage of the opportunity to change this situation.

It is my impression that a great debate continues to rage on the future structure of our military forces. I trust that this bill will not be taken as Congress' comments on that discussion, and that renewed energy will go into finding a better solution to these dilemmas in the coming years.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:58 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1479. An act to designate the Federal building and United States courthouse located at 300 Northeast First Avenue in Miami, Florida, as the "David W. Dyer Federal Building and United States Courthouse."

H.R. 1484. An act to redesignate the United States courthouse located at 100 Franklin Street in Dublin, Georgia, as the "J. Roy Rowland United States Courthouse."

H.R. 2493. An act to establish a mechanism by which the Secretary of Agriculture and the Secretary of the Interior can provide for uniform management of livestock grazing on Federal lands.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 1479. An act to designate the Federal building and United States courthouse located at 300 Northeast First Avenue in Miami, Florida, as the "David W. Dyer Federal Building and United States Courthouse"; to the Committee on Environment and Public Works.

H.R. 1484. An act to redesignate the United States courthouse located at 100 Franklin Street in Dublin, Georgia, as the "J. Roy Rowland United States Courthouse"; to the Committee on Environment and Public Works.

H.R. 2493. An act to establish a mechanism by which the Secretary of Agriculture and the Secretary of the Interior can provide for uniform management of livestock grazing on Federal lands; to the Committee on Energy and Natural Resources.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on October 31, 1997 he had presented to the President of the United States, the following enrolled bill:

S. 1227. An act to amend title I of the Employee Retirement Income Security Act of 1974 to clarify treatment of investment managers under such title.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC 3275. A communication from the Acting Assistant Secretary of Defense (Health Affairs), transmitting, pursuant to law, a report relative to TRICARE; to the Committee on Armed Services.

EC 3276. A communication from the Director of the Washington Headquarters Services, Department of Defense, transmitting, pursuant to law, a rule entitled "Champus TRICARE Support Office" (RIN0720–AA42) received on October 21, 1997; to the Committee on Armed Services.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–291. A resolution adopted by the Senate of the Legislature of the State of Michigan; to the Committee on Appropriations.

SENATE RESOLUTION NO. 69

Whereas, In 1986, Congress created the Leaking Underground Storage Tank Trust Fund through legislation amending the Resource Recovery and Conservation Act. The fund was financed through a 0.1 cent tax on each gallon of motor fuel sold. The tax levy, which was reauthorized in 1990, expired on December 31, 1995. The fund has approximately $1.5 billion in it; and

Whereas, The purpose of the money generated by the Leaking Underground Storage Tank Trust Fund is two-fold. It seeks to enforce corrective actions where the owner of a leaking tank is known and cleanup activities where the owner is not known or is unable or unwilling to pay. The fund's proceeds are distributed to the states on a formula based on criteria determined by federal officials. Factors include levels of contamination, the number of leaking tanks, the number of cleanup efforts, and danger to drinking supplies; and

Whereas, Over the years, not enough money from the trust fund has gone to fighting the effects of leaking underground storage tanks. Almost all of the fund's proceeds

go toward administration and enforcing the program. It is estimated that only 1 percent of fund money spent each year goes to clean up orphan tanks; and

Whereas, In an effort to increase cleanup initiatives and to deal with a problem that gets worse with the passage of time, Congress is considering legislation to revamp the manner in which the money in the Leaking Underground Storage Tank Trust Fund is distributed. The legislative proposals offer a more pragmatic approach by providing for the Environmental Protection Agency to distribute the money to the states with more authority for the states. The states are in far better positions to determine how best to meet the aims of cleanup and enforcement. With a formula for distributing the funds based on what the states contributed to the fund, a far greater positive impact can be made in cleaning up our environment; Now, therefore, be it

Resolved by the Senate, That we memorialize the Congress of the United States to provide for the distribution of the Leaking Underground Storage Tank Trust Fund's proceeds to the states for cleanup projects determined by the states; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–292. A joint resolution adopted by the Legislature of the State of California; to the Committee on the Judiciary.

ASSEMBLY JOINT RESOLUTION NO. 13

Whereas, The Congress of the United States of America is considering the ratification of the balanced budget amendment to the Constitution of the United States of America; and

Whereas, Amendment the Constitution of the United States should not be entered into without the full knowledge of the California Legislature as to the economic and human consequences of the amendment on the State of California; and

Whereas, The potential impact of the balanced budget amendment without protections for seniors, medicare recipients, and social security recipients, upon the State of California and its individual citizens could be massive and without precedent; and

Whereas, Older American in this country have labored their entire life to prosper and succeed to make America great; and

Whereas, Congress should take every step to exempt social security from the balanced budget amendments; and

Whereas, Congress needs to adopt a hands-off approach to social security and the Medicare system and stop any further action to hurt older Americans; and

Whereas, All efforts should be continued to keep social security from the balanced budget amendment since Congress took it "off budget" in 1990; and

Whereas, The Legislature of the State of California needs sufficient information and data upon which to base its appraisal of the impact of the balanced budget amendment; Now, therefore, be it

Resolved by the Assembly and Senate of the State of California jointly, That the Legislature respectfully memorializes the President and Congress of the United States to continue efforts to indefinitely ensure that social security is not threatened in any way, to protect older Americans who are receiving social security and Medicare from undue harm and stress from the continuing dialogue to stop any effort to hurt the income security of older Americans, to ensure that everything necessary is being done to make sure that older Americans continue to receive all that they are entitled to and deserve, and to ensure the solvency of social security and Medicare for future generations of taxpayers and senior citizens entitled to the benefits provided by those programs; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

POM–293. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations.

JOINT RESOLUTION NO. 18

Whereas, The United Nations Commission on the Status of Women formulated a document entitled the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW); and

Whereas, The United Nations General Assembly adopted the Convention, and opened it for signature in December 1979; and

Whereas, The Convention, sometimes called an international Bill of Rights for women, obligates those countries that have ratified or acceded to it to take all appropriate measures to ensure the full development and advancement of women in all spheres, including political, educational, employment, health care, economic, social, legal, marriage and family relations, as well as to modify the social and cultural patterns of conduct of men and women to eliminate prejudice, customs, and all other practices based on the idea of the inferiority or superiority of either sex; and

Whereas, Fifty-two countries, including the United States, signed the Convention during the 1980 Mid-Decade Conference for Women in Copenhagen, Denmark; and

Whereas, To date, 160 countries, representing over half the countries of the world, have now ratified or acceded to the Convention; and

Whereas, The United States has not yet ratified or acceded to the Convention; Now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California commends the local, national, and international efforts of the National Committee on the United Nations to promote the universal adoption of the United Nations Convention on the Elimination of All Forms of Discrimination Against Women, and urges the United States Senate to ratify CEDAW; and be it further

Resolved, That the Assembly and the Senate of the State of California shall work to ensure the elimination of discrimination against women and girls in the State of California, as they pursue the enjoyment of all civil, political, economic, and cultural rights, as expressed in the CEDAW treaty; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

POM–294. A resolution adopted by the House of the Legislature of the Commonwealth of Puerto Rico; to the Committee on Foreign Relations.

RESOLUTION

Whereas, The Commonwealth of Puerto Rico and the province of Taiwan of the Republic of China enjoy a close and long standing relationship;

Whereas, Dr. Sun Yat-Sen, founder the Republic of China, has been recognized as a national patriot by all the governments of modern China and in harmony with his principles, the government of the Republic of China in Taiwan has consistently shown its commitment towards world peace and stability, economic and social-regional development, international mutual assistance, democratization processes and political and economic freedom;

Whereas, the economy of the Republic of China in Taiwan makes it, at present, the fourteenth largest commercial country, the twentieth in gross national product and the twenty-fifth in gross per capita income;

Whereas, the population of the Republic of China in Taiwan is greater than the population of two-thirds of the present members of the United Nations Organizations;

Whereas, the people of the Republic of China in Taiwan deserve appropriate recognition and credit for their dynamic role in the international community;

Whereas, the creation of an ad hoc committee for the study of the exceptional situation of the people of the Republic of China in Taiwan in the international community, has been proposed before the United Nations Organization in order to advance fair and viable solutions which will allow its participation in the international bodies under the aegis of the United Nations Organization;

Whereas, there is a precedent for the full participation of the Republic of China in Taiwan in the United Nations Organization and its affiliated bodies, such as the participation formerly granted to nations divided between two governments such as Korea, and as were Germany and Yemen for many years before their unification;

Whereas, since the People of Puerto Rico lack the power to directly influence the President and the United States Congressmen who direct the foreign and diplomatic policy which applies to Puerto Rico by vote, it is essential for this High Body to state its feelings on this matter to them. Now therefore: be it

Resolved by the House of Representatives of Puerto Rico:

Section 1.—To hereby request the President and the Congress of the United States to give their utmost attention and action support to the Republic of China in Taiwan as an important participant in international commerce and trade, and as a former ally, and in support of its efforts to attain its full participation in the international community bodies.

Section 2.—To have this Resolution translated into the English language, and remit copies thereof to the President and to the Congress of the United States, and to the Representatives of the Republic of China in Taiwan.

POM–295. A resolution adopted by the House of the Legislature of the Commonwealth of Puerto Rico; to the Committee on Energy and Natural Resources.

RESOLUTION

STATEMENT OF MOTIVES

Information published in the United States indicates that in recent months a controversy has arisen regarding the manner in which the Federal Census for the year 2000 shall be conducted. The controversy is basically about proposed methodology.

The Bureau of the Census plans to use the statistical sampling technique, alleging that it is necessary in order to correct the situation of the previous census which failed to count some one point six (1.6) percent of the population of the United States or around four million (4,000,000) persons, according to its own estimates. It is estimated that if the sample is not used, one point nine (1.9) percent of the population shall not be counted and that six hundred seventy-five (675) to eight hundred (800) million dollars would be necessary in addition to the four billion it expects to spend.

From the above, it can be inferred that a census with statistical sampling is more reliable and less costly than that which does not use the sample. It is also important to indicate that experience has shown that the endemic problem of the population that is uncounted mainly affects the minorities, and among them, Hispanics.

We wish to join our efforts to those of Martha Farnsworth Richie, Director of the Bureau of the Census, Barbara E. Bryant, former Director of the Bureau of the Census under former President Bush, the two panels of the National Research Council, one of which is directed by Charles L. Schulze, who worked for Brookings Institution, to the American Statistics Association, the United States Conference of Mayors, organizations of legal counsel for minority groups such as the Civil Rights Leadership Council, the majority of the members of Congress affiliated to the Democratic Party, Republican Congressmen such as Senator John McCain from Arizona and Congressman Christopher Shays from Connecticut, as well as state governments such as New York and Los Angeles, all these who favor the use of statistical sampling in the Census.

It seems to us that the arguments set forth by those who oppose the use of samples based on considerations of public order, lack validity. The Chairman of the National Republican Party, Jim Nicholson, has been quoted as saying that based on an undisclosed internal report, that Republicans could lose up to twenty-five (25) seats in the House of Representatives if statistic sampling is used in the Census for the year 2000. This has been denied by other sectors. A study conducted by the Congressional Investigation Service based on the projections of the Census of 1996, reflects that eleven (11) seats would change hands and that states such as Texas, Arizona and Georgia would gain two (2) seats, while New York and Pennsylvania would lose two (2) seats.

The argument that a Census with sampling would be unconstitutional and that additional costs would be avoided if the Supreme Court annuls a census with the sample do not convince us either.

Department of Justice Opinions under the administrations of Clinton, Carter and Bush conclude that the Constitution does not exclude the use of the sample. We firmly believe that the constitutional right of equal protection under laws of the United States of the persons omitted in the past by the Census were violated, and that those mainly affected are members of minority groups that are not counted for reasons such as higher rates of multiple families living together, changes of residence and cases of homeless people, which mostly affect minority groups than the rest of the population.

In the spirit that justice be done from the economic point of view, as well as from the political point of view through equal treatment to all the residents of the United States, we urge the President and the Congress of the United States to support a Federal Census using the methodology proposed by the Bureau of the Census so that the five (5) million persons who would be omitted from the statistics of the Census if the statistical sampling is not used, can be counted, be it

Resolved by the House of Representatives of Puerto Rico:

Section 1.—To urge President William Jefferson Clinton and the Congress of the United States to support the methodology proposed by the United States Bureau of the Census to conduct the Federal Census of the year 2000.

Section 2.—A copy of this Resolution shall be remitted to the President of the United States, as well as to the Speaker of the House and President of the Senate of the United States of America, to the Floor leaders of the various parliamentary delegations, and to the Black Caucus and Hispanic Caucus of the Congress, the Governor of Puerto Rico and the Resident Commissioner of Puerto Rico in the United States, in English and in Spanish.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

H.R. 960. A bill to validate certain conveyances in the City of Tulare, Tulare County, California, and for other purposes (Rept. No. 105–127).

By Mr. CHAFEE, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute and an amendment to the title:

S. 1180. A bill to reauthorize the Endangered Species Act (Rept. No. 105–128).

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 318. A bill to amend the Truth in Lending Act to require automatic cancellation and notice of cancellation rights with respect to private mortgage insurance which is required by a creditor as a condition for entering into a residential mortgage transaction, and for other purposes (Rept. No. 105–129).

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

S. 1228. A bill to provide for a 10-year circulating commemorative coin program to commemorate each of the 50 States, and for other purposes (Rept. No. 105–130).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LUGAR, from the Committee on Agriculture, Nutrition, and Forestry:

Sally Thompson, of Kansas, to be Chief Financial Officer, Department of Agriculture.

Joseph B. Dial, of Texas, to be a Commissioner of the Commodity Futures Trading Commission for the term expiring June 19, 2001. (Reappointment)

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRASSLEY (for himself and Mr. DURBIN):

S. 1352. A bill to amend Rule 30 of the Federal Rules of Civil Procedure to restore the stenographic preference for depositions; to the Committee on the Judiciary.

By Mr. FRIST (for himself, Mr. LOTT, and Mr. THOMPSON):

S. 1353. A bill to amend title 49, United States Code, to provide assistance and slots with respect to air carrier service between high density airports and airports that do not receive sufficient air service, to improve jet aircraft service to underserved markets, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MCCAIN (for himself, Mr. CAMPBELL, Mr. INOUYE, Mr. DASCHLE, and Mr. DORGAN):

S. 1354. A bill to amend the Communications Act of 1934 to provide for the designation of common carriers not subject to the jurisdiction of a State commission as eligible telecommunications carriers; to the Committee on Commerce, Science, and Transportation.

By Mr. LIEBERMAN (for himself and Mr. DODD):

S. 1355. A bill to designate the United States courthouse located in New Haven, Connecticut, as the "Richard C. Lee United States Courthouse"; to the Committee on Environment and Public Works.

By Mr. FAIRCLOTH:

S. 1356. A bill to amend the Communications Act of 1934 to prohibit Internet service providers from providing accounts to sexually violent predators; to the Committee on Commerce, Science, and Transportation.

By Mr. DORGAN:

S. 1357. A bill to require the States to bear the responsibility for the consequences of releasing violent criminals from custody before the expiration of the full term of imprisonment to which they are sentenced; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. D'AMATO:

S. Con. Res. 59. A concurrent resolution expressing the sense of Congress with respect to the human rights situation in the Republic of Turkey in light of that country's desire to host the next summit meeting of the heads of state or government of the Organization for Security and Cooperation in Europe (OSCE); to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRASSLEY (for himself and Mr. DURBIN):

S. 1352. A bill to amend rule 30 of the Federal Rules of Civil Procedure to restore the stenographic preference for dispositions; to the Committee on the Judiciary.

THE FEDERAL RULES OF CIVIL PROCEDURE RULE 30 AMENDMENT ACT OF 1997

Mr. GRASSLEY. Mr. President, I rise today to introduce a bill to amend rule 30 of the Federal Rules of Civil Procedure. This bill, which I am introducing with Senator DURBIN, will restore the stenographic preference for depositions taken in Federal Court. Under our system of government, Congress has the duty and responsibility to scrutinize carefully all of the rules of Civil Procedure promulgated by the Judicial Conference and transmitted to us by the Supreme Court for review—and to make modifications or deletions when appropriate. Indeed, when many changes to the rules were proposed in 1993, some were to be modified in legislation which was passed by the House. Unfortunately, the crush of the end-of-session legislation that year made it impossible for the Senate to act on this bill to modify these changes and they took effect in December of that year.

Many of us in this body wanted to bring the bill forward, but opponents of the proposed modifications were able to delay any Senate consideration until after the effective date required by the Rules Enabling Act. Because of our responsibility to review these rules, I want to bring one of the modifications back before the Senate. This modification concerns rule 30 of the Federal Rules of Civil Procedure.

From 1970 to December 1993, rule 30 permitted depositions to be recorded by non stenographic means, but only upon court order or with the written stipulation of the parties. The change in rule 30(b) altered that procedure by eliminating the requirement of a court order or stipulation and affording each party the right to arrange for recording of a deposition by non stenographic means.

Testimony at hearings conducted by the Judiciary Subcommittee on Courts and Administrative Practice in the 103d Congress raised concerns about the reliability and durability of video or audio tape alternatives to stenographic depositions. There was also information submitted suggesting that technological improvements in stenographic recording will make the stenographic method more cost-effective for years to come.

Depositions recorded stenographically have historically provided an accurate record of testimony which can conveniently be used by both trial and appellate courts. In addition, the certification of accuracy by an independent and unbiased third party is a significant component of trustworthy depositions. Studies undertaken by the Justice Research Institute confirm the fact that a stenographic court reporter is the qualitative standard for accuracy and clarity in depositions, and a court reporter using a computer—aided transportation is the least costly method of making a deposition record.

Even now, 5 years after the rule change, court reporters associations contend that mechanical recording frequently produces unintelligible passages and is laden with other dangers such as the inability to identify speakers. Rather than becoming the way of the future, electronic recording has been faulted by judges and attorneys as an error-prone system where tapes are often untranscribable because of inaudible portions, machines frequently fail, and recorders pick up every background sound, including papers rustling, coughing, and attorney sidebar conferences which then must be edited out before use by jurors or for the appeal process.

The case was never made for unilateral decisions on the use of nonstenographic recording of depositions. The legislation that I am introducing today with my colleague from Illinois, Senator DURBIN, would restore the rule that nonstenographic recording of depositions is authorized only when permitted by court order or stipulation of both parties.

This version of the rule worked very effectively for over 23 years. In fact, I am not aware of any instance where an attorney or party was denied the ability to use an alternative method when it was requested. However, the most important factor was that the prior incarnation of the Rules recognized the potential for errors from methods other than stenographic means and thus established the safeguards of stipulation or court order. In fact, the notes to accompany the 1970 version of the Civil Rules said it best:

> In order to facilitate less expensive procedures, provision is made for the recording of testimony by other than stenographic means—e.g., by mechanical, electronic, or photographic means. Because these methods give rise to problems of accuracy and trustworthiness, the party taking the deposition is required to apply for a court order. The order is to specify how the testimony is to be recorded, preserved, and filed, and it may contain whatever additional safeguards the court deems necessary.
>
> (Notes to accompany the 1970 Revisions to the Federal Rules of Civil Procedure)

Mr. President, this legislation gives us the chance to do what we should have done 4 years ago and restore the rule in order to maintain the high standard of justice for which our legal system is known.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1352

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraphs (2) and (3) of Rule 30(b) of the Federal Rules of Civil Procedure are amended to read as follows:

"(2) Unless the court upon motion orders, or the parties stipulate in writing, the deposition shall be recorded by stenographic means. The party taking the deposition shall bear the cost of the transcription. Any party may arrange for a transcription to be made from the recording of a deposition taken by nonstenographic means.

"(3) With prior notice to the deponent and other parties, any party may use another method to record the deponent's testimony in addition to the method used pursuant to paragraph (2). The additional record or transcript shall be made at that party's expense unless the court otherwise orders.".

By Mr. MCCAIN (for himself, Mr. CAMPBELL, Mr. INOUYE, Mr. DASCHLE, and Mr. DORGAN):

S. 1354. A bill to amend the Communications Act of 1934 to provide for the designation of common carriers not subject to the jurisdiction of a State commission as eligible telecommunications carriers; to the Committee on Commerce, Science, and Transportation.

THE COMMUNICATIONS ACT OF 1934 TECHNICAL AMENDMENT ACT OF 1997

Mr. MCCAIN. Mr. President, I rise to introduce an amendment to the Communications Act of 1934 on behalf of Senators DORGAN, DASCHLE, INOUYE, CAMPBELL, and myself. This amendment enables the Federal Communications Commission [FCC] to designate common carriers not under the jurisdiction of a State commission as eligible recipients of universal service support.

Universal Service provides intercarrier support for the provision of telecommunications services in rural and high-cost areas throughout the United States. However, section 254(e) of the 1996 act states that only an eligible carrier designated under section 214(e) of the Communications Act shall be eligible to receive specific federal universal support after the FCC issues regulations implementing the new universal service provisions into the law. Section 214(e) does not account for the fact that State commissions in a few states have no jurisdiction over certain carriers. Typically, States also have no jurisdiction over tribally owned companies which may or may not be regulated by a tribal authority that is not a State commission per se.

The failure to account for these situations means that carriers not subject to the jurisdiction of a State commission have no way of becoming an eligible carrier that can receive universal service support. This would be the case whether these carriers are traditional local exchange carriers that provide services otherwise included in the program, have previously obtained universal service support, or will likely be the carrier that continues to be the carrier of last resort for customers in the area.

Mr. President. This simple amendment will address this oversight within

the 1996 act, and prevent the unintentional consequences it will have on common carriers which Congress intended to be covered under the umbrella of universal service support.

By Mr. LIEBERMAN (for himself and Mr. DODD):

S. 1355. A bill to designate the U.S. courthouse located in New Haven, CT, as the "Richard C. Lee United States Courthouse"; to the Committee on Environment and Public Works.

THE RICHARD C. LEE FEDERAL COURTHOUSE ACT OF 1997

Mr. LIEBERMAN. Mr. President, I am pleased and honored today to introduce legislation with my colleague Senator DODD to name the Federal courthouse in New Haven, CT, after our dear friend and the former eight-term mayor of New Haven, Richard C. Lee. Congresswoman ROSA DELAURO is introducing the same proposal in the House of Representatives.

If it may be said that Federal buildings should help reflect the very best of the principles, purposes and spirit of America, then this courthouse could have no more appropriate name above its doors than that of Mayor Lee. For Dick Lee is the quintessential American, proud, principled, hardworking, and productive. In New Haven, he shook loose entrenched bureaucracies and forged new community coalitions dedicated to rebuilding New Haven after years of neglect and blight. He became a nationally recognized urban pioneer and helped to change the landscape of the American city.

Dick Lee was born in New Haven. He loves the city and its richly diverse people. In May of last year, Mayor Lee was honored by the New Haven Colony Historical Society. During that tribute, Prof. Robert Wood of Wesleyan University drew inspiration from Mayor Lee's eloquence about his work. Dick Lee said that the core of a mayor's job was "wiping away tears from the eyes" of a city's people so that "each tear becomes a star in the sky" and not a source of daily despair. "Filling the sky above with stars" was his highest calling. "The tears in the eyes of the young and the old, the hungry, the unloved, the ill-housed, the ill-clothed, and worst of all, the ignored" were not to be tolerated.

Dick Lee was raised in a devout Irish Catholic family that was not blessed with wealth but with greater gifts: with faith, talent, and the willingness to work hard to better themselves and their community. He served for many years on the Board of Aldermen of New Haven and held a number of journalism jobs, including 10 years in public relations at Yale University. In 1949, he became the youngest man to run for mayor in New Haven's history. He lost that year by 712 votes. He lost 2 years later by only two votes. But he did not give up on himself, or the city of New Haven and was elected mayor in 1953.

Once in office, Dick Lee devoted himself with extraordinary energy and imagination to the human and physical renewal of New Haven. One of his most provocative ideas was that the greatest post-World War II problems in our cities—poverty, unemployment, and poor housing—could not be solved by the cities or States alone. The Federal Government had to become a partner in America's urban redevelopment.

Dick Lee worked tirelessly and with enormous success during the Eisenhower Administration to bring Federal programs to New Haven. As head of the Urban Committee of the Democratic National Committee in 1958, Lee authored the first versions of Model Cities and War on Poverty legislative proposals. And after his dear friend, John F. Kennedy was elected, Dick Lee exercised a large and constructive influence on the national effort to renew America's urban areas and to restore hope and opportunity to the people who lived in them.

Dick Lee also understood that just as the human face of New Haven needed reinvigoration, so did the city's physical appearance and infrastructure. For this, Dick Lee turned first to a plan by Maurice Rovital who developed a blueprint for New Haven while a member of the Yale faculty. But then he boldly invited many of America's greatest architects to design buildings for his city, making New Haven one of America's greatest architectural crossroads.

Dick Lee appointed a deputy mayor and administrator of redevelopment. From there, the real work began. That work included rebuilding downtown New Haven, salvaging the Long Wharf area, restoring Wooster Square, constructing the Knights of Columbus headquarters and the Coliseum, residential rehabilitation, rent supplements, nonprofit housing sponsors and the renewal of inner-city neighborhoods.

Mayor Lee forged new coalitions to reaffirm his city's sense of community and make it easier to get things done. His Citizens Action Commission was a unique amalgam of business, labor and civic leaders and was designed to build support for the redevelopment effort.

Robert Dahl, in his book "Who Governs? Democracy and Power in the American City," wrote that Mayor Lee "had an investment banker's willingness to take risks that held the promise of large long-run payoffs, and a labor mediator's ability to head off controversy by searching out areas for agreement by mutual understanding, compromise, negotiation, and bargaining.

He possessed a detailed knowledge of the city and its people, a formidable information gathering system, and an unceasing, full-time preoccupation with all aspects of his job. His relentless drive to achieve his goals meant that he could be tough and ruthless. But toughness was not his political style, for his overriding strategy was to rely on persuasion rather than threats.

Robert Leeney, former editor of the New Haven Register and a wise and eloquent observer of the local scene wrote:

New Haven and the problems of New Haveners have shaped Dick Lee's life. When the Senate seat, later filled by Thomas Dodd, hung like a plum within his grasp he wouldn't reach for it because the Church Street project was badly stalled and home needs took first priority in his public vision and on his personal horizons. His simple belief in—and his unshakeable dedication to—this city and its people started young and they have never ended. He grew up to citizenhood with a classic, almost a Greek, sense of the city-state's call upon his talents and of its shaping effect upon his life and the lives of his neighbors.

Mr. President, law is the way we choose to express our values as a community, our aspirations for ourselves and our neighbors. In that fundamental sense, naming the grand Federal courthouse in New Haven which sits proudly on the old New Haven Green and next to city hall is an honor which Mayor Dick Lee thoroughly deserves. In his public service, he worked tirelessly to express the best values of his community and to help its people realize their dreams for themselves.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1355

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF RICHARD C. LEE UNITED STATES COURTHOUSE.

The United States courthouse located in New Haven, Connecticut, shall be known and designated as the "Richard C. Lee United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "Richard C. Lee United States Courthouse".

Mr. DODD. Mr. President. I am pleased to join with my fellow colleague from Connecticut, Senator LIEBERMAN, in introducing this bill which would designate the U.S. courthouse in New Haven, CT, as the "Richard C. Lee United States Courthouse." I strongly believe that this designation would be a fitting tribute to Dick Lee's service and commitment to the city of New Haven, and I commend my good friend and colleague for putting this legislation forward.

A self-educated man who was legendary for his charm, Dick Lee is widely considered as one of the most forceful, most capable, and most dedicated mayors that the State of Connecticut and this country has ever known.

After losing two bids to become mayor, Dick Lee went on to win eight straight elections, serving as the mayor of New Haven from 1954 to 1969.

His first two elections were very close, losing by only two votes in his 1951. Dick Lee learned from these narrow defeats, and they helped to shape his political career. He realized that every single person mattered, and he always did everything in his power to help his constituents, particularly those who were in need. He was always eager to tackle, rather than turn away from constituents' problems. He also exhibited great foresight in anticipating the problems that awaited New Haven and other cities, and he offered imaginative and progressive solutions to these concerns.

The focus of his ideas was to preserve and rehabilitate neighborhoods, and to engage in urban planning done with the community, not for it. He supervised the clearance of slums in New Haven and revitalized once decaying areas by rebuilding businesses and homes. He oversaw the building of two new public high schools and a dozen elementary schools. To ensure that residents would have a greater investment in their communities, he pushed for the building of housing that low-income families could buy rather than rent. And Hew Haven was also the first major U.S. city to create its own antipoverty program.

Many viewed Dick Lee's views as ahead of his time, and he quickly established a national reputation as a visionary of urban revitalization. On the strength of this reputation, Mr. Lee became a respected advisor to Presidents Kennedy and Johnson on matters of urban policy.

Mr. Lee was approached about a possible cabinet position, but rather than lobby for a political appointment for himself, he used his political capital to help secure Federal funding for his urban redevelopment initiatives back home in New Haven. At one point during Dick Lee's tenure, New Haven was receiving more Federal money per capita than any other city in the country.

Dick Lee still lives in New Haven in the same house that he purchased more than 30 years ago. In light of all the work that Dick Lee did for the people of his home town and his effective advocacy on behalf of all of America's cities, I think that it is only appropriate that one of New Haven's Federal buildings should bear his name. Therefore I urge all of my colleagues to support this bill to designate the Federal courthouse in New Haven as the "Richard C. Lee United States Courthouse."

By Mr. FAIRCLOTH:

S. 1356. A bill to amend the Communications Act of 1934 to prohibit Internet service providers from providing accounts to sexually violent predators; to the Committee on Commerce, Science, and Transportation.

THE INTERNET SERVICE PROVIDERS ACCOUNT PROHIBITION ACT OF 1997

Mr. FAIRCLOTH. Mr. President, in the past few years, I have been shocked by the number of crimes I have read about that are connected to the Internet.

This was a problem that did not even exist just a few years ago, but now it has become very prevalent.

What is happening is that sex offenders and pedophiles are using the Internet to recruit children.

I think I have a solution that can help this situation.

Today, I am introducing legislation that would prevent a convicted sex offender from having an Internet account. Under my bill, the on-line service provider would be barred from providing an account to anyone who is a sexually violent predator or who has registered under Megan's law.

I do not think this would be difficult to enforce, because convicted sex offenders are already on a data base.

A background check on that data base could keep them offline.

Mr. President, we all know that proper parental supervision is the best defense against this type of crime, but I am finding that some parents aren't as computer literate as their children and it is almost impossible to watch children every minute of every day.

In my view, it is time to pull the plug on sex offenders and take them offline.

Mr. President, as I said, this problem has been growing year by year. It has grown to the point where the FBI has set up a special task force to track down computer sex offenders.

In 1993, the FBI formed a task force known as Innocent Images.

It was created after a 10-year-old boy was declared missing in Maryland. Unfortunately, he has never been found. But the FBI did come across two neighbors who have an elaborate computer network—where they were recruiting young victims over the Internet. The key suspect is in jail, but has never told the police anything about the disappearance.

This is what one agent said about the program:

> Generally we would come across people trying to trade (illicit pictures) within five to ten minutes . . . It was like coming across a person at every street corner trying to sell you crack.

Just 2 weeks ago, the Washington Post reported on a man that had contacted over 100 underage girls via a computer. He was arrested and received 2 years in jail. I have no doubt, he will be back on the Internet when he gets out of jail. My bill is designed to stop him again.

The task force has conducted over 330 searches that have resulted in 200 indictments and 150 convictions. Another 135 have been arrested.

If we do not stop sex offenders on the Internet, I believe the number of crimes will grow.

Tragically, just a few weeks ago, an 11-year-old boy was murdered in New Jersey by a teenager who himself had been molested by a man he met on the Internet. The man was a twice convicted sex offender.

We have got to stop this activity and stop it now.

Mr. President, there will be critics who call this unconstitutional. They can certainly tie themselves up in knots about the legalities, but my main concern is for the safety of our children.

I think we have ample precedent for doing something like this. First, we have Megan's Law that requires registration of sex offenders. Second, the Supreme Court, in Kansas versus Hendricks, upheld a State statute that kept a sexual predator committed in a State mental institution, after his criminal sentence had run. I think it is clear that for sexual predators—they do not enjoy the rights that all of us enjoy. There is a difference.

More simply put, is this any different than denying a felon the right to own a gun. Is it different than barring a habitual drunk driver from having a driver's license?

The Internet is the new weapon of the sexual predator. It is their key to invading our homes.

We have to send a clear message that the Internet will not become the favored tool of the pedophile. Instead of roaming the streets, the sex offenders of the 1990's are roaming chat rooms and the Internet looking for victims.

This legislation will put a stop to that.

I hope that we can have hearings on this bill and that we can consider it next session.

By Mr. DORGAN:

S. 1357. A bill to require the States to bear the responsibility for the consequences of releasing violent criminals from custody before the expiration of the full term of imprisonment to which they are sentenced.

THE FAIRNESS AND INCARCERATION RESPONSIBILITY ACT

Mr. DORGAN. Mr. President, I am going to introduce legislation today dealing with violent offenders. I want to preface it by saying that all of us in this country understand that crime rates are coming down some, and we are appreciative of that. But violent crime is still far too prevalent.

In North Dakota a couple of weeks ago, we had a young woman named Julienne Schultz who stopped at a rest area on a quiet rural road and a quiet part of our State. She ran into a man in the rest area who abducted her, slashed her throat, and left her for dead. Well, I am pleased to tell you today that Julienne did not die, and she is recovering.

The horror of that attack is a horror that is repeated all over this country, committed by violent criminals who never should have been out of jail early. That attack was perpetrated by

a fellow who came from Washington State. He was, I guess, driving through North Dakota. He is alleged to have committed a couple of murders in Washington State before he left Washington a couple of months before. He ran into Julienne Schultz, this wonderful woman from North Dakota, who was coming back from a meeting with the League of Cities and stopped at a rest area only to have her throat slashed by this violent criminal. He then took his own life when stopped at a police blockade later that night. This fellow had been in prison in the State of Washington for prior violent crimes and was let out of prison early.

It goes on all across this country. I think this country ought to decide that, if you commit a violent act, you are going to go to prison and the prison cell is going to be your address until the end of your sentence—no early out, no nothing. If you are convicted of a violent offense, you go to prison and stay there. Your prison cell is your address.

I will just give you a couple more examples.

Charles Miller is from West Virginia, 28 years old. A couple of years ago he was convicted of the violent rape of a young child and was sentenced to serve 5 years in prison. He was up for parole three times while he was in prison. His third time —May of this year—after serving half of the sentence, he was released on gain time, and 43 days later he was charged with sexually assaulting a 12-year-old girl. The prosecutor said, "Unfortunately, in the State the way it is now, everybody gets out early. We have people guilty of murder getting out on gain time do it again. We ought to abolish gain time."

I agree with that prosecutor.

Miami, FL, a fellow named Gainer, age 23, shot a fellow named Robert Mays, 20 years old—got into a dispute about drugs. Sentenced to 5 years in State prison for manslaughter, served 1 year and 1 month, released because he had accumulated 600 days of what is called gain time for working in a prison camp. Six months after he was released he was charged with first-degree murder once again.

Mr. Ball, 42, sentenced to 30 years of hard labor in Louisiana, cited for 102 disciplinary infractions in prison, the last infraction being 3 months before he was released 16 years before the end of his sentence for good behavior. He was rearrested on first-degree murder and armed robbery charges.

Budweiser delivery man Bernard Scorconi was 45 years old, murdered by Mr. Ball when he tried to stop him from robbing a local bar. Ball was released 16 years earlier than the end of his sentence.

It happens all across this country, every day in every way. Violent people are put back on the streets before the end of their sentence.

My mother was killed by someone who committed a manslaughter act, and he was let out early. Everybody is let out early. Commit a violent act, you get let out early. All you have to do is go to prison, accumulate good time. In some States you get 30 days off for every 30 days served.

I am proposing today a very simple piece of legislation. Let us tell those States who let violent people out of prison early, that you are going to be responsible for the actions of that offender up until what should have been the completion date of that offender's sentence. If a State or local government decides it is appropriate to allow violent offenders to be let out before the end of their term because they have accumulated good time, gain time, or parole. If violent offenders serve less than their entire sentence, then during that period of time when they should have been in jail, if they commit another violent crime, I want the states to be held responsible—no more immunity.

I say to local governments, be responsible. You want to let violent people out on the street early, be responsible for it. Waive your immunity. Let people sue you to bring you to account for what you have done.

I am proposing that the grants we have in the 1994 crime bill dealing with truth-in-sentencing and violent-offender incarceration be available to those States that decide they will waive immunity and be responsible for the acts these offenders on early release commit.

I wonder how many people in this Chamber know that there are more than 4,000 people now in prison for committing a murder that they committed while they were out early for a previous violent crime. How would you like to be one of the families of the 4,000 or more people who are murdered who understand their loved one was murdered because someone else was let out early from prison. You know it doesn't take Dick Tracy to figure out who is going to commit the next violent act. It is somebody who has committed a previous violent act.

I just suggest that there are those who say prisons are overcrowded and so the prison overcrowding forces them to release people early. Senator JOHN GLENN and I have talked for years about military housing and its possible use for incarcerating non-violent offenders. Why couldn't corrections officials utilize this kind of low-cost housing for nonviolent offenders and freeup maximum security space for violent offenders.

You can probably incarcerate nonviolent offenders for a fraction of the cost of what it takes to build a prison. Fifty percent of the 1.5 million people now in prison in this country are nonviolent. We can incarcerate them for a fraction of the cost of what we now spend to put them in prisons.

We could open 100,000, 200,000, or 300,000 prison cells and say to violent offenders, that is your address until the end of your sentence. Understand that. Your address is your prison cell, if you commit a violent crime, until the end of your sentence. We ought to provide a creative way for states to facilitate that.

Even with the best of intentions, in this Chamber about 4 years ago we decided that the most violent offenders have to serve 85 percent of their time. Let's let them out only 15 percent early, stated another way. In fact, in most States those who commit the most violent offenses and therefore get the longest sentences get the most generous amount of good time.

I know people will disagree with me about this. I respect that disagreement. I say this. If you are the family of a young boy, 13 years old, named Hall who was murdered just miles from here, or of a young attorney in her early 20's named Bettina Pruckmayer, who was murdered just miles from here. Both of these young people murdered by individuals who had been in prison for previous murders but let out early because of the sentence system. Is it fine for us to let them back on the street? If they do not have a good time, if they are hard to manage in prison, think about the violence done to others who are murdered and others who are going to die while they are on street.

I am going to introduce this piece of legislation today. I hope in the next year or so before the Congress completes its work that we might be able to decide what we need to do about violent offenders. We can keep violent offenders off the streets to the end of their sentence, and we can protect people like Julienne Schultz, who, fortunately, is going to be all right.

But this innocent young woman who was driving back from a meeting stopped at a rest stop in a quiet rural area, had her throat slashed and was close to being killed by a fellow who should never have been driving through North Dakota, by a fellow who was let out by authorities in another State which said, "We can't afford to keep you in prison," apparently, and, "We don't have the time to keep you in prison anymore." Well, we had better make time. We had better find the resources to keep these kind of folks in prison to the end of their term in order to help prevent further carnage and the kind of things that are happening to innocent people all across this country.

Mr. President, I ask that the bill be pointed in the RECORD.

Mr. President, you have been very generous in the time today.

I yield the time. I yield the floor.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1357

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fairness and Incarceration Responsibility (FAIR) Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) violent criminals often serve only a portion of the terms of imprisonment to which they are sentenced;

(2) a significant proportion of the most serious crimes of violence committed in the United States are committed by criminals who have been released early from a term of imprisonment to which they were sentenced for a prior conviction for a crime of violence;

(3) violent criminals who are released before the expiration of the term of imprisonment to which they were sentenced often travel to other States to commit subsequent crimes of violence;

(4) crimes of violence and the threat of crimes of violence committed by violent criminals who are released from prison before the expiration of the term of imprisonment to which they were sentenced affect tourism, economic development, use of the interstate highway system, federally owned or supported facilities, and other commercial activities of individuals; and

(5) the policies of one State regarding the early release of criminals sentenced in that State for a crime of violence often affect the citizens of other States, who can influence those policies only through Federal law.

(b) PURPOSE.—The purpose of this Act is to require States to bear the responsibility for the consequences of releasing violent criminals from custody before the expiration of the full term of imprisonment to which they are sentenced.

SEC. 3. ELIGIBILITY FOR VIOLENT OFFENDER INCARCERATION GRANTS.

Section 20103(a) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13703(a)) is amended—

(1) by striking "the State has implemented" and inserting the following: "the State—

"(1) has implemented";

(2) by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(2) has enacted and implemented a State law providing that a victim (or in the case of a homicide, the family of the victim) of a crime of violence (as defined in section 16 of title 18, United States Code) shall have a Federal cause of action in any district court of the United States against the State for the recovery of actual (not punitive) damages (direct and indirect) resulting from the crime of violence, if the individual convicted of committing the crime of violence—

"(A) had previously been convicted by the State of a crime of violence committed on a different occasion than the crime of violence at issue;

"(B) was released before serving the full term of imprisonment to which the individual was sentenced for that offense; and

"(C) committed the subsequent crime of violence at issue before the original term of imprisonment described in subparagraph (B) would have expired.".

SEC. 4. ELIGIBILITY FOR TRUTH-IN-SENTENCING INCENTIVE GRANTS.

Section 20104 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13704) is amended—

(1) by striking "85 percent" each place that term appears and inserting "100 percent"; and

(2) by adding at the end the following:

"(c) WAIVER OF SOVEREIGN IMMUNITY.—Notwithstanding subsection (a), in addition to the requirements of that subsection, to be eligible to receive a grant award under this section, each application submitted under subsection (a) shall demonstrate that the State has enacted and implemented, a State law providing that a victim (or in the case of a homicide, the family of the victim) of a crime of violence (as defined in section 16 of title 18, United States Code) shall have a Federal cause of action in any district court of the United States against the State for the recovery of actual (not punitive) damages (direct and indirect) resulting from the crime of violence, if the individual convicted of committing the crime of violence—

"(1) had previously been convicted by the State of a crime of violence committed on a different occasion than the crime of violence at issue;

"(2) was released before serving the full term of imprisonment to which the individual was sentenced for that offense; and

"(3) committed the subsequent crime of violence at issue before the original term of imprisonment described in paragraph (2) would have expired.".

SEC. 5. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect 3 years after the date of enactment of this Act.

ADDITIONAL COSPONSORS

S. 496

At the request of Mr. CHAFEE, the name of the Senator from South Dakota [Mr. JOHNSON] was added as a cosponsor of S. 496, a bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.

S. 1084

At the request of Mr. INHOFE, the names of the Senator from South Carolina [Mr. THURMOND], and the Senator from Florida [Mr. MACK] were added as cosponsors of S. 1084, a bill to establish a research and monitoring program for the national ambient air quality standards for ozone and particulate matter and to reinstate the original standards under the Clean Air Act, and for other purposes.

S. 1096

At the request of Mr. KERREY, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 1096, a bill to restructure the Internal Revenue Service, and for other purposes.

S. 1124

At the request of Mr. KERRY, the names of the Senator from Ohio [Mr. DEWINE], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 1124, a bill to amend title VII of the Civil Rights Act of 1964 to establish provisions with respect to religious accommodation in employment, and for other purposes.

S. 1189

At the request of Mr. SMITH, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 1189, a bill to increase the criminal penalties for assaulting or threatening Federal judges, their family members, and other public servants, and for other purposes.

S. 1243

At the request of Mr. KERREY, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 1243, a bill to amend title 23, United States Code, to enhance safety on 2-lane rural highways.

S. 1251

At the request of Mr. D'AMATO, the names of the Senator from Alabama [Mr. SESSIONS], and the Senator from New Hampshire [Mr. GREGG] were added as cosponsors of S. 1251, a bill to amend the Internal Revenue Code of 1986 to increase the amount of private activity bonds which may be issued in each State, and to index such amount for inflation.

S. 1252

At the request of Mr. D'AMATO, the names of the Senator from Alabama [Mr. SESSIONS], the Senator from New Hampshire [Mr. GREGG], and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 1252, a bill to amend the Internal Revenue Code of 1986 to increase the amount of low-income housing credits which may be allocated in each State, and to index such amount for inflation.

S. 1311

At the request of Mr. LIEBERMAN, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 1311, a bill to impose certain sanctions on foreign persons who transfer items contributing to Iran's efforts to acquire, develop, or produce ballistic missiles.

At the request of Mr. LOTT, the names of the Senator from Washington [Mr. GORTON], the Senator from Alaska [Mr. STEVENS], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 1311, supra.

S. 1314

At the request of Mrs. HUTCHISON, the names of the Senator from New York [Mr. D'AMATO], the Senator from Montana [Mr. BURNS], and the Senator from Arizona [Mr. KYL] were added as cosponsors of S. 1314, a bill to amend the Internal Revenue Code of 1986 to provide that married couples may file a combined return under which each spouse is taxed using the rates applicable to unmarried individuals.

S. 1319

At the request of Mr. BYRD, the names of the Senator from Michigan [Mr. LEVIN], the Senator from Vermont [Mr. JEFFORDS], and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of S. 1319, a bill to repeal the Line Item Veto Act of 1996.

S. 1334

At the request of Mr. BOND, the names of the Senator from Georgia

[Mr. COVERDELL], the Senator from Montana [Mr. BURNS], and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 1334, a bill to amend title 10, United States Code, to establish a demonstration project to evaluate the feasibility of using the Federal Employees Health Benefits program to ensure the availablity of adequate health care for Medicare-eligible beneficiaries under the military health care system.

SENATE RESOLUTION 116

At the request of Mr. LEVIN, the names of the Senator from Rhode Island [Mr. REED] and the Senator from South Dakota [Mr. JOHNSON] were added as cosponsors of Senate Resolution 116, a resolution designating November 15, 1997, and November 15, 1998, as "America Recycles Day".

SENATE RESOLUTION 141

At the request of Mrs. MURRAY, the names of the Senator from Oregon [Mr. WYDEN], the Senator from Ohio [Mr. DEWINE], and the Senator from Washington [Mr. GORTON] were added as cosponsors of Senate Resolution 141, a resolution expressing the sense of the Senate regarding National Concern About Young People and Gun Violence Day.

AMENDMENT NO. 1397

At the request of Mr. BYRD the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of amendment No. 1397 intended to be proposed to S. 1173, a bill to authorize funds for construction of highways, for highway safety programs, and for mass transit programs, and for other purposes.

AMENDMENT NO. 1520

At the request of Mr. KERREY the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of amendment No. 1520 intended to be proposed to S. 1173, a bill to authorize funds for construction of highways, for highway safety programs, and for mass transit programs, and for other purposes.

SENATE CONCURRENT RESOLUTION 59—RELATIVE TO THE ORGANIZATION FOR SECURITY AND COOPERATION IN EUROPE

Mr. D'AMATO submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 59

Whereas the Republic of Turkey, because of its position at the crossroads of Europe, the Caucasus, Central Asia, and the Middle East, is well positioned to play a leading role in shaping developments in Europe and beyond;

Whereas the Republic of Turkey has been a longstanding member of numerous international organizations, including the Council of Europe (1949), the North Atlantic Treaty Organization (1952), and the Organization for Security and Cooperation in Europe (1975);

Whereas Turkey's President, Suleyman Demirel, was an original signer of the 1975 Helsinki Final Act of the Conference on Security and Cooperation in Europe;

Whereas the Republic of Turkey proposed in late 1996 that Istanbul serve as the venue for the next OSCE summit, a prestigious gathering of the heads of state or government of countries in Europe, Central Asia, and North America, including the United States;

Whereas a decision on the venue of the next OSCE summit will require the consensus of all OSCE participating states, including the United States;

Whereas the OSCE participating states, including Turkey, have declared their steadfast commitment to democracy based on human rights and fundamental freedoms, the protection and promotion of which is the first responsibility of government;

Whereas the development of genuine democracy in Turkey is undermined by ongoing violations of international humanitarian law as well as other human rights obligations and commitments, including provisions of the Helsinki Final Act and other OSCE documents, by which Turkey is bound;

Whereas the Department of State has found that serious human rights problems persist in Turkey and that human rights abuses have not been limited to the southeast, where Turkey has engaged in an armed conflict with the terrorist Kurdistan Workers Party (PKK) for over a decade;

Whereas flagrant violations of OSCE standards and norms continue and the problems raised by the United States Delegation at the November 1996 OSCE Review Meeting in Vienna persist;

Whereas expert witnesses at a 1997 briefing of the Commission on Security and Cooperation in Europe (in this concurrent resolution referred to as the "Helsinki Commission") underscored the continued, well-documented, and widespread use of torture by Turkish security forces and the failure of the Government of Turkey to take determined action to correct such gross violations of OSCE provisions and international humanitarian law;

Whereas the Government of Turkey continues to use broadly the Anti-Terror Law and Article 312 of the Criminal Code against writers, journalists, publishers, politicians, musicians, and students;

Whereas the Committee To Protect Journalists has concluded that more journalists are currently jailed in Turkey than in any other country in the world;

Whereas the Government of Turkey has pursued an aggressive campaign of harassment of nongovernmental organizations, including the Human Rights Foundation of Turkey; branch offices of the Human Rights Association in Diyarakir, Malatya, Izmir, Konya, and Urfa have been raided and closed; and Turkish authorities continue to persecute the members of nongovernmental organizations who attempt to assist the victims of torture;

Whereas four former parliamentarians from the now banned Kurdish-based Democracy Party (DEP) Leyla Zana, Hatip Dicle, Orhan Dogan, and Selim Sadak remain imprisoned at Ankara's Ulucanlar Prison and among the actions cited in Zana's indictment was her 1993 appearance before the Helsinki Commission in Washington, D.C.;

Whereas the Lawyers Committee for Human Rights has expressed concern over the case of human rights lawyer Hasan Doğan, a member of the People's Democracy Party (HADEP), who like many members of the party, has been subject to detention and prosecution;

Whereas many human rights abuses have been committed against Kurds who assert their Kurdish identity, and Kurdish institutions, such as the Kurdish Cultural and Research Foundation, have been targeted for closure;

Whereas the Ecumenical Patriarchate has repeatedly requested permission to reopen the Orthodox seminary on the island of Halki closed by the Turkish authorities since the 1970s despite Turkey's OSCE commitment to "allow the training of religious personnel in appropriate institutions";

Whereas members of other minority religions or beliefs, including Armenian and Syrian Orthodox believers, as well as Roman Catholics, Armenian, Chaldean, Greek and Syrian Catholics, and Protestants have faced various forms of discrimination and harassment;

Whereas the closing of the border with Armenia by Turkey in 1993 remains an obstacle to the development of mutual understanding and confidence, and friendly and good-neighborly relations between those OSCE participating states;

Whereas the Republic of Turkey has repeatedly rebuffed offers by the Chair-in-Office of the OSCE to dispatch a personal representative to Turkey for purposes of assessing developments in that country;

Whereas, despite the fact that a number of Turkish civilian authorities remain publicly committed to the establishment of rule of law and to respect for human rights, torture, excessive use of force, and other serious human rights abuses by the security forces continue; and

Whereas the Government of Turkey has failed to meaningfully address these and other human rights concerns since it first proposed to host the next OSCE summit and thereby has squandered this opportunity to demonstrate its determination to improve implementation of Turkey's OSCE commitments: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) the privilege and prestige of hosting a summit of the heads of state or government of the Organization for Security and Cooperation in Europe (OSCE) should be reserved for participating states that have demonstrated in word and in deed steadfast support for Helsinki principles and standards, particularly respect for human rights;

(2) the United States should refuse to give consensus to any proposal that Turkey serve as the venue for a summit meeting of the heads of state or government of OSCE countries until the Government of Turkey has demonstrably improved implementation of its freely undertaken OSCE commitments, including action to address those human rights concerns enumerated in the preamble of this resolution;

(3) the United States should encourage the development of genuine democracy in the Republic of Turkey based on protection of human rights and fundamental freedoms; and

(4) the President of the United States should report to Congress not later than April 15, 1998, on any improvement in the actual human rights record in Turkey, including improvements in that country's implementation of provisions of the Helsinki Final Act and other OSCE documents.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President of the United States.

Mr. D'AMATO. Mr. President, I rise to submit a concurrent resolution on

the human rights situation in Turkey. This resolution is prompted by that country's desire to host the next summit meeting of the heads of state or government of the Organization for Security and Cooperation in Europe [OSCE]. This summit meeting is scheduled to take place in 1998. The issue is which country will host this most important OSCE gathering.

Last November, the Republic of Turkey—an original OSCE participating state—first proposed Istanbul as the site for the next OSCE summit. At that time, I wrote to then-Secretary of State Christopher, together with Commission Co-Chairman Christopher Smith, urging that the United States reject this proposal based on Turkey's dismal human rights record. I also wrote to Secretary Albright in July to reiterate my concerns regarding the state of human rights in Turkey and Ankara's failure to improve its implementation of OSCE commitments.

Ankara has squandered the past year, failing to meaningfully address a series of longstanding human rights concerns. Regrettably, there has been no meaningful improvement in Turkey's implementation of its OSCE human rights commitments in the 11 months since our original letter to the State Department. Despite a number of changes in Turkish law, the fact of the matter is that even these modest proposals have not translated into improved human rights in Turkey.

Mr. President, my resolution does not call for outright rejection of the Turkish proposal. Rather, the resolution calls for the United States to refuse consensus to such a plan until the Government of Turkey had demonstrably improved implementation of its freely undertaken OSCE commitments, including action to address those human rights concerns I will describe in more detail later in my remarks. Under OSCE rules, decisions require that all participating states, including the United States, give their consensus before a proposal can be adopted. The resolution we introduce today calls upon the President to report to the Congress by April 15, 1998, on any improvement to Turkey's actual human rights performance.

Expert witnesses at a Commission briefing earlier this year underscored the continued, well-documented, and widespread use of torture by Turkish security forces and the failure of the Government of Turkey to take determined action to correct such gross violations of OSCE provisions and international humanitarian law. Even the much heralded reduction of periods for the detention of those accused of certain crimes has failed to deter the use of torture. The fact is that this change on paper is commonly circumvented by the authorities. As one United States official in Turkey observed in discussion with Commission staff, a person will be held in incommunicado for days, then the prisoner's name will be postdated for purposes of official police logs giving the appearance that the person had been held within the period provided for under the revised law. Turkish authorities also continue to persecute those who attempt to assist the victims of torture, as in the case of Dr. Tufan Köse.

Despite revisions in the Anti-Terror Law, its provisions continue to be broadly used against writers, journalists, publishers, politicians, musicians, and students. Increasingly, prosecutors have applied article 312 of the Criminal Code, which forbids "incitement to racial or ethnic enmity." Government agents continue to harass human rights monitors. According to the Committee to Protect Journalists, at least 47 Turkish journalists are in jail in Turkey today—more than in any other country in the world.

Many human rights abuses have been committed against Kurds who assert their Kurdish identity. The Kurdish Cultural and Research Foundation offices in Istanbul were closed by police in June to prevent the teaching of Kurdish language classes. In addition, four former parliamentarians from the now banned Kurdish-based Democracy Party [DEP]: Leyla Zana, Hatip Dicle, Orhan Doğan, and Selim Sadak, who have completed three years of their 15-year sentences, remain imprisoned at Ankara's Ulucanlar Prison. Among the actions cited in Leyla Zana's indictment was her 1993 appearance before the U.S. Commission on Security and Cooperation in Europe here in Washington, DC. The Lawyers Committee for Human Rights has expressed concern over the case of human rights lawyer Hasan Doğan, a member of the People's Democracy Party [HADEP], who, like many members of the party, has been subject to detention and prosecution.

The Government of Turkey has similarly pursued an aggressive campaign of harassment of nongovernmental organizations, including the Human Rights Foundation of Turkey and the Human Rights Association. An Association forum on capital punishment was banned in early May as was a peace conference sponsored by international and Turkish NGO's. Human Rights Association branch offices in Diyarbakir, Malatya, Izmir, Konya, and Urfa have been raided and closed.

Mr. President, last week the Congress honored His All Holiness Bartholomew, the leader of Orthodox believers worldwide. The Ecumenical Patriarchate, located in Istanbul—the city proposed by Turkey as the venue for the next OSCE summit—has experienced many difficulties. The Patriarchate has repeatedly requested permission to reopen the Orthodox seminary on the island of Halki closed by the Turkish authorities since the 1970's despite Turkey's OSCE commitment to "allow the training of religious personnel in appropriate institutions."

As the State Department's own Country Report on Human Rights Practices for 1996 concluded, Turkey "was unable to sustain improvements made in 1995 and, as a result, its record was uneven in 1996 and deteriorated in some respects." While Turkish civilian authorities remain publicly committed to the establishment of rule of law state and respect for human rights, torture, excessive use of force, and other serious human rights abuses by the security forces continue. As our resolution points out, the United States should encourage the development of genuine democracy in the Republic of Turkey based on protection of human rights and fundamental freedoms.

Mr. President, it is most unfortunate that Turkey's leaders, including President Demirel—who originally signed the 1975 Helsinki Final Act on behalf of Turkey—have not been able to effectively address these and other longstanding human rights concerns.

The privilege and prestige of hosting such an OSCE event should be reserved for participating states that have demonstrated their support for Helsinki principles and standards—particularly respect for human rights—in both word and in deed. Turkey should not be allowed to serve as host of such a meeting until and unless that country's dismal human rights record has improved.

While some may argue that allowing Turkey to host an OSCE summit meeting might provided political impetus for positive change, we are not convinced, particularly in light of the failure of the Turkish Government to meaningfully improve the human rights situation in the months since it offered to host the next OSCE summit. We note that several high-level conferences have been held in Turkey without any appreciable impact on that country's human rights policies or practices.

Mr. President, promises of improved human rights alone should not suffice. Turkey's desire to host an OSCE summit must be matched by concrete steps to improve its dismal human rights record.

I ask unanimous consent that the two letters I mentioned earlier, to Secretary Christopher and Secretary Albright, and a copy of the State Department's August 13, 1997, reply signed by Assistant Secretary of State for Legislative Affairs, Barbara Larkin, be inserted in the RECORD.

In closing, I urge my colleagues to join in supporting this concurrent resolution and to work for its passage before the end of this first session of the 105th Congress.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMISSION ON SECURITY AND COOPERATION IN EUROPE,
Washington, DC, July 15, 1997.

Hon. MADELEINE KORBEL ALBRIGHT,
Secretary of State, Department of State, Washington, DC.

DEAR MADAM SECRETARY: We write to reiterate and further explain our steadfast opposition to Turkey as the venue for an Organization for Security and Cooperation in Europe (OSCE) summit meeting and ask the Department, which we understand shares our view, to maintain the United States' refusal to give consensus to the Turkish proposal that the next summit should be held in Istanbul. We also observe that a rigid schedule of biennial summit meetings of the OSCE Heads of State or Government appears to be unwarranted at this stage of the OSCE's development and suggest that serious consideration be given to terminating the mandate which currently requires such meetings to be held whether circumstances warrant them or not.

Last November, the Republic of Turkey—an original OSCE participating State—first proposed Istanbul as the site for the next OSCE summit. At that time, we wrote to Secretary Christopher urging that the United States reject this proposal. A decision was postponed until the Copenhagen Ministerial, scheduled for this December, and the Lisbon Document simply noted Turkey's invitation.

The United States should withhold consensus on any proposal to hold an OSCE summit in Turkey until and unless Ankara has released the imprisoned Democracy Party (DEP) parliamentarians, journalists and others detained for the non-violent expression of their views; ended the persecution of medical professionals and NGOs who provide treatment to victims of torture and expose human rights abuses; and begun to aggressively prosecute those responsible for torture, including members of the security forces.

In addition, the United States should urge the Government of Turkey to undertake additional steps aimed at improving its human rights record, including abolishing Article 8 of the Anti-Terror Law, Article 312 of the Penal Code, and other statutes which violate the principle of freedom of expression and ensuring full respect for the civil, political, and cultural rights of members of national minorities, including ethnic Kurds.

Regrettably, there has been no improvement in Turkey's implementation of OSCE human rights commitments in the eight months since our original letter to the Department. Despite a number of changes in Turkish law, the fact of the matter is that even these modest proposals have not translated into improved human rights in Turkey. Ankara's flagrant violations of OSCE standards and norms continues and the problems raised by the United States Delegation to the OSCE Review Meeting last November persist.

Madam Secretary, the privilege and prestige of hosting such an OSCE event should be reserved for participating States that have demonstrated their support for Helsinki principles and standards—particularly respect for human rights—in both word and in deed. Turkey should not be allowed to serve as host of such a meeting given that country's dismal human rights record.

While some may argue that allowing Turkey to host an OSCE summit meeting might provide political impetus for positive change, we are not convinced, particularly in light of the failure of the Turkish Government to improve the human rights situation in the eight months since it proposed to host the next OSCE summit. We note that several high-level conferences have been held in Turkey without any appreciable impact on that country's human rights policies or practices.

Promises of improved human rights alone should not suffice. Turkey's desire to host an OSCE summit must be matched by concrete steps to improve its dismal human rights record.

We appreciate your consideration of our views on this important matter and look forward to receiving your reply.

Sincerely,

CHRISTOPHER H. SMITH,
Member of Congress, Co-Chairman.
ALFONSE D'AMATO,
U.S. Senate, Chairman.

COMMISSION ON SECURITY AND COOPERATION IN EUROPE,
Washington, DC, November 22, 1996.

Hon. WARREN CHRISTOPHER,
Secretary of State, Department of State, Washington, DC.

DEAR MR. SECERTARY: We have recently learned that the Republic of Turkey may offer Istanbul as the venue for the next summit meeting of the Heads of State or Government of the Organization of Security and Cooperation in Europe (OSCE). We write to urge that the United States reject this proposal. A decision on this important matter is extremely urgent as the OSCE Review Meeting concludes today and drafting for the Summit document will begin next week.

The privilege of hosting such a prestigious OSCE event should be reserved for participating States that have demonstrated steadfast support for Helsinki principles and standards—particularly respect for human rights—in word and in deed. The U.S. should deny consensus on Turkey's proposal to serve as host of an OSCE summit meeting because of that country's dismal human rights record.

The United States Delegation to the OSCE Review Meeting has raised a number of specific examples that illustrate Turkey's flagrant violation of OSCE human rights commitments and international humanitarian law, including the well-documented use of torture. The European Committee for the Prevention of Torture has found that incidence of torture and ill-treatment in Turkey to be "widespread." The UN Committee on Torture has referred to "systemic" use of torture in Turkey. Earlier this week, Amnesty International released a report documenting the torture of children held in detention in Turkey.

Despite Turkey's revisions to the Anti-Terror Law, it provisions continue to be broadly used against writers, journalists, publishers, politicians, musicians, and students. Increasingly, prosecutors have applied Article 312 of the Criminal Code, which forbids "incitement to racial or ethnic enmity" to suppress expression of dissenting views. Government agents continue to harass human rights monitors. Many human rights abuses have been committed against Kurds who publicly or politically assert their Kurdish identity.

As the Department's own report on human rights practices in Turkey concluded, while Turkisk civilian authorities remain publicly committed to the establishment of a state of law and respect to human rights, torture, excessive use of force, and other serious human rights abuses by the security forces continue.

Regrettably, lone overdue reforms of Turkey's human rights policies and practices announced in mid-October by the Turkish Deputy Prime Minister and Foreign Minister, Mrs. Ciller, have not materialized and the prospects for genuine change in the near term appear remote.

Another key factor in our urgent call for rejection of Turkey's proposal to host an OSCE summit is Turkey's continuing illegal and forcible occupation of Cypriot territory in blatant violation of OSCE principles. A substantial force of 30,000 Turkish troops remains in Cyprus today in a clear breach of Cypriot sovereignty. In recent months, we have witnessed the worst violence against innocent civilians along the cease-fire line since the 1974 invasion, resulting in at least 5 deaths. In addition, Turkish and Turkish Cypriot authorities have failed to fully account for at least 1,614 Greek Cypriots and five Americans missing since 1974.

While some may argue that allowing Turkey to hose an OSCE summit might provide political impetus for positive change, we are not convinced, particularly in light of the fact that several high-level conferences have been held in Turkey without any appreciable impact on that country's human rights policies or practices. Allowing Turkey to host an OSCE summit based upon an inference of increased leverage to improve Turkish human rights performance, when they are in current, active violation of solemn international commitments would be wrong.

Turkey's desire to host an OSCE summit must be matched by concrete steps to improve its dismal human rights, to end its illegal occupation of Cypriot territory, and to contribute to a reduction of tensions in the eastern Mediterranean. Absent demonstrable progress in these areas, the United States should withhold consensus on any proposal to hold an OSCE summit in Turkey.

Sincerely,

ALFONSE D'AMATO,
U.S. Senator, Co-Chairman.
CHRISTOPHER H. SMITH,
Member of Congress, Chairman.

U.S. DEPARTMENT OF STATE,
Washington, DC, August 13, 1997.

Hon. CHRISTOPHER H. SMITH,
Co-Chairman, Commission on Security and Cooperation in Europe, House of Representatives.

DEAR MR. CHAIRMAN: I am responding on behalf of the Secretary of State to your July 15 letter regarding your concerns about the possible selection of Turkey as the venue for the next summit meeting of the Organization for Security and Cooperation in Europe (OSCE).

The Department of State shares your concerns about Turkey's human rights record. All states participating in the OSCE are expected to adhere to the principles of the Helsinki Final Act and other OSCE commitments, including respect for human rights and fundamental freedoms. The U.S. Government has consistently called attention to human rights problems in Turkey and has urged improvements. It does not in any way condone Turkey's, or any other OSCE state's, failure to implement OSCE commitments.

The OSCE, however, is also a means of addressing and correcting human rights shortcomings. As you note in your letter, the issue of Turkey's human rights violations was raised at the November OSCE Review Meeting, and will likely continue to be raised at such meetings until Turkey demonstrates that it has taken concrete measures to improve its record. Holding the summit in Turkey could provide an opportunity

to influence Turkey to improve its human rights record.

As you note, the Turkish government has made some effort to address problem areas, through the relaxation of restrictions on freedom of expression and the recent promulgation of legal reforms which, if fully implemented, would begin to address the torture problem. These measures are only a first step in addressing the problems that exist, but we believe they reflect the commitment of the Turkish government to address its human rights problems. We have been particularly encouraged by the positive attitude the new government, which came to power July 12, has demonstrated in dealing with human rights issues.

As you know, the fifty-four nations of the OSCE will discuss the question of a summit venue. As in all OSCE decisions, any decision will have to be arrived at through consensus, which will likely take some time to achieve. In the meantime, the Department of State welcomes your views, and will seriously consider your concerns about the OSCE summit site. I welcome your continuing input on this issue, and thank you for your thoughtful letter.

We appreciate your letter and hope this information is helpful. Please do not hesitate to contact us again if we can be of further assistance.

Sincerely,

BARBARA LARKIN,
Assistant Secretary,
Legislative Affairs.

AMENDMENTS SUBMITTED

THE EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

LOTT AMENDMENT NO. 1542

(Ordered to lie on the table.)

Mr. LOTT submitted an amendment intended to be proposed by him to the bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes; as follows:

Strike all after **"1. SHORT"** and insert **"TITLE.**

This act may be cited as the "Education Savings Act for Public and Private Schools".

SEC. 2. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

"(2) QUALIFIED EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified education expenses' means—

"(i) qualified higher education expenses (as defined in section 529(e)(3)), and

"(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)) but only with respect to amounts in the account which are attributable to contributions for any taxable year ending before January 1, 2003, and earnings on such contributions. Such expenses shall be reduced as provided in section 25A(g)(2).

"(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include amounts paid or incurred to purchase tuition credits or certificates, or to make contributions to an account, under a qualified State tuition program (as defined in section 529(b)) for the benefit of the beneficiary of the account.".

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—Section 530(b) of such Code is amended by adding at the end the following new paragraph:

"(4) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified elementary and secondary education expenses' means tuition, fees, tutoring, special needs services, books, supplies, computer equipment (including related software and services) and other equipment, transportation, and supplementary expenses required for the enrollment or attendance of the designated beneficiary of the trust at a public, private, or religious school.

"(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described in subparagraph (A) required for education provided for homeschooling if the requirements of any applicable State or local law are met with respect to such education.

"(C) SCHOOL.—The term 'school' means any school which provides elementary education or secondary education (through grade 12), as determined under State law.".

(3) CONFORMING AMENDMENTS.—Subsections (b)(1) and (d)(2) of section 530 of such Code are each amended by striking "higher" each place it appears in the text and heading thereof.

(b) TEMPORARY INCREASE IN MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) of the Internal Revenue Code of 1986 is amended by striking "$500" and inserting "the contribution limit for such taxable year".

(2) CONTRIBUTION LIMIT.—Section 530(b) of such Code is amended by adding at the end the following new paragraph:

"(4) CONTRIBUTION LIMIT.—The term 'contribution limit' means $2,500 ($500 in the case of any taxable year ending after December 31, 2002).".

(3) CONFORMING AMENDMENTS.—

(A) Section 530(d)(4)(C) of such Code is amended by striking "$500" and inserting "the contribution limit for such taxable year".

(B) Section 4973(e)(1)(A) of such Code is amended by striking "$500" and inserting "the contribution limit (as defined in section 530(b)(4)) for such taxable year".

(c) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Paragraph (1) of section 530(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following flush sentence: "The age limitations in the preceding sentence shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).".

(d) CORPORATIONS PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Paragraph (1) of section 530(c) of the Internal Revenue Code of 1986 is amended by striking "The maximum amount which a contributor" and inserting "In the case of a contributor who is an individual, the maximum amount the contributor".

(e) EFFECTIVE DATE; REFERENCES.—

(1) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 213 of the Taxpayer Relief Act of 1997.

(2) REFERENCES.—Any reference in this section to any section of the Internal Revenue Code of 1986 shall be a reference to such section as added by the Taxpayer Relief Act of 1997.

SEC. 8. OVERRULING OF SCHMIDT BAKING COMPANY CASE.

(a) IN GENERAL.—The Internal Revenue Code of 1986 shall be applied without regard to the result reached in the case of Schmidt Baking Company, Inc. v. Commissioner of Internal Revenue, 107 T.C. 271 (1996).

(b) REGULATIONS.— The Secretary of the Treasury or the Secretary's delegate shall prescribe regulations to reflect subsection (a).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Subsections (a) and (b) shall apply to taxable years beginning after October 8, 1997.

(2) SPECIAL RULE FOR TAXABLE YEARS INCLUDING OCTOBER 8, 1997.—In the case of any taxable year which includes October 8, 1997, the amount of the deduction of any taxpayer for vacation, severance, or sick pay shall be reduced by an amount equal to 60 percent of the excess (if any) of—

(A) the amount of such deduction determined without regard to this section, over

(B) the amount of such deduction which would be determined if subsections (a) and (b) applied to such taxable year.

(3) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by this section to change its method of accounting for its first taxable year beginning after October 8, 1997—

(A) such change shall be treated as initiated by the taxpayer.

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account in a prorata manner during the 10-taxable year period beginning with such first taxable year.

THE SMALL BUSINESS REAUTHORIZATION ACT OF 1997 HUBZONE ACT OF 1997

BOND AMENDMENT NO. 1543

Mr. BOND proposed an amendment to the bill (S. 1139) to reauthorize the programs of the Small Business Administration, and for other purposes; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Small Business Reauthorization Act of 1997".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

SEC. 2. DEFINITIONS.

In this Act—

(1) the term "Administration" means the Small Business Administration;

(2) the term "Administrator" means the Administrator of the Small Business Administration;

(3) the term "Committees" means the Committees on Small Business of the House of Representatives and the Senate; and

(4) the term "small business concern" has the meaning given the term in section 3 of the Small Business Act (15 U.S.C. 632).

SEC. 3. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1997.

TITLE I—AUTHORIZATIONS

SEC. 101. AUTHORIZATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by striking subsections (c) through (q) and inserting the following:

"(c) FISCAL YEAR 1998.—

"(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 1998:

"(A) For the programs authorized by this Act, the Administration is authorized to make—

"(i) $40,000,000 in technical assistance grants, as provided in section 7(m); and

"(ii) $60,000,000 in direct loans, as provided in section 7(m).

"(B) For the programs authorized by this Act, the Administration is authorized to make $16,040,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(i) $12,000,000,000 in general business loans as provided in section 7(a);

"(ii) $3,000,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

"(iii) $1,000,000,000 in loans as provided in section 7(a)(21); and

"(iv) $40,000,000 in loans as provided in section 7(m).

"(C) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(i) $700,000,000 in purchases of participating securities; and

"(ii) $600,000,000 in guarantees of debentures.

"(D) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to section 411(a)(3) of that Act.

"(E) The Administration is authorized to make grants or enter into cooperative agreements—

"(i) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $4,000,000; and

"(ii) for activities of small business development centers pursuant to section 21(c)(3)(G), $15,000,000, to remain available until expended.

"(2) ADDITIONAL AUTHORIZATIONS.—

"(A) There are authorized to be appropriated to the Administration for fiscal year 1998 such sums as may be necessary to carry out this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(B) Notwithstanding subparagraph (A), for fiscal year 1998—

"(i) no funds are authorized to be provided to carry out the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under paragraph (1)(B)(i) is fully funded; and

"(ii) the Administration may not approve loans on behalf of the Administration or on behalf of any other department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than $1,250,000.

"(d) FISCAL YEAR 1999.—

"(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 1999:

"(A) For the programs authorized by this Act, the Administration is authorized to make—

"(i) $40,000,000 in technical assistance grants as provided in section 7(m); and

"(ii) $60,000,000 in direct loans, as provided in section 7(m).

"(B) For the programs authorized by this Act, the Administration is authorized to make $17,540,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(i) $13,000,000,000 in general business loans as provided in section 7(a);

"(ii) $3,500,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

"(iii) $1,000,000,000 in loans as provided in section 7(a)(21); and

"(iv) $40,000,000 in loans as provided in section 7(m).

"(C) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(i) $800,000,000 in purchases of participating securities; and

"(ii) $700,000,000 in guarantees of debentures.

"(D) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to section 411(a)(3) of that Act.

"(E) The Administration is authorized to make grants or enter cooperative agreements—

"(i) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $4,500,000; and

"(ii) for activities of small business development centers pursuant to section 21(c)(3)(G), not to exceed $15,000,000, to remain available until expended.

"(2) ADDITIONAL AUTHORIZATIONS.—

"(A) There are authorized to be appropriated to the Administration for fiscal year 1999 such sums as may be necessary to carry out this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(B) Notwithstanding subparagraph (A), for fiscal year 1999—

"(i) no funds are authorized to be provided to carry out the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under paragraph (1)(B)(i) is fully funded; and

"(ii) the Administration may not approve loans on behalf of the Administration or on behalf of any other department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than $1,250,000.

"(e) FISCAL YEAR 2000.—

"(1) PROGRAM LEVELS.—The following program levels are authorized for fiscal year 2000:

"(A) For the programs authorized by this Act, the Administration is authorized to make—

"(i) $40,000,000 in technical assistance grants as provided in section 7(m); and

"(ii) $60,000,000 in direct loans, as provided in section 7(m).

"(B) For the programs authorized by this Act, the Administration is authorized to make $20,040,000,000 in deferred participation loans and other financings. Of such sum, the Administration is authorized to make—

"(i) $14,500,000,000 in general business loans as provided in section 7(a);

"(ii) $4,500,000,000 in financings as provided in section 7(a)(13) of this Act and section 504 of the Small Business Investment Act of 1958;

"(iii) $1,000,000,000 in loans as provided in section 7(a)(21); and

"(iv) $40,000,000 in loans as provided in section 7(m).

"(C) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make—

"(i) $900,000,000 in purchases of participating securities; and

"(ii) $800,000,000 in guarantees of debentures.

"(D) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000, of which not more than $650,000,000 may be in bonds approved pursuant to section 411(a)(3) of that Act.

"(E) The Administration is authorized to make grants or enter cooperative agreements—

"(i) for the Service Corps of Retired Executives program authorized by section 8(b)(1), $5,000,000; and

"(ii) for activities of small business development centers pursuant to section 21(c)(3)(G), not to exceed $15,000,000, to remain available until expended.

"(2) ADDITIONAL AUTHORIZATIONS.—

"(A) There are authorized to be appropriated to the Administration for fiscal year 2000 such sums as may be necessary to carry out this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(B) Notwithstanding subparagraph (A), for fiscal year 2000—

"(i) no funds are authorized to be provided to carry out the loan program authorized by section 7(a)(21) except by transfer from another Federal department or agency to the Administration, unless the program level authorized for general business loans under paragraph (1)(B)(i) is fully funded; and

"(ii) the Administration may not approve loans on behalf of the Administration or on behalf of any other department or agency, by contract or otherwise, under terms and conditions other than those specifically authorized under this Act or the Small Business Investment Act of 1958, except that it may approve loans under section 7(a)(21) of this Act in gross amounts of not more than $1,250,000.".

TITLE II—FINANCIAL ASSISTANCE

Subtitle A—Microloan Program

SEC. 201. MICROLOAN PROGRAM.

(a) LOAN LIMITS.—Section 7(m)(3)(C) of the Small Business Act (15 U.S.C. 636(m)(3)(C)) is amended by striking "$2,500,000" and inserting "$3,500,000".

(b) LOAN LOSS RESERVE FUND.—Section 7(m)(3)(D) of the Small Business Act (15 U.S.C. 636(m)(3)(D)) is amended by striking clauses (i) and (ii), and inserting the following:

"(i) during the initial 5 years of the intermediary's participation in the program under this subsection, at a level equal to not more than 15 percent of the outstanding balance of the notes receivable owed to the intermediary; and

"(ii) in each year of participation thereafter, at a level equal to not more than the greater of—

"(I) 2 times an amount reflecting the total losses of the intermediary as a result of participation in the program under this subsection, as determined by the Administrator on a case-by-case basis; or

"(II) 10 percent of the outstanding balance of the notes receivable owed to the intermediary.".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in the subsection heading, by striking "DEMONSTRATION";

(2) by striking "Demonstration" each place that term appears;

(3) by striking "demonstration" each place that term appears; and

(4) in paragraph (12), by striking "during fiscal years 1995 through 1997" and inserting "during fiscal years 1998 through 2000".

(d) TECHNICAL ASSISTANCE GRANTS.—Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in paragraph (4)(E)—

(A) by striking "Each intermediary" and inserting the following:

"(i) IN GENERAL.—Each intermediary";

(B) by striking "15" and inserting "25"; and

(C) by adding at the end the following:

"(ii) TECHNICAL ASSISTANCE.—An intermediary may expend not more than 25 percent of the funds received under paragraph (1)(B)(ii) to enter into third party contracts for the provision of technical assistance."; and

(2) in paragraph (5)(A)—

(A) by striking "in each of the 5 years of the demonstration program established under this subsection,"; and

(B) by striking "for terms of up to 5 years" and inserting "annually".

SEC. 202. WELFARE-TO-WORK MICROLOAN INITIATIVE.

(a) INITIATIVE.—Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in paragraph (1)(A)—

(A) in clause (ii), by striking "and" at the end;

(B) in clause (iii), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(iv) to establish a welfare-to-work microloan initiative, which shall be administered by the Administration, in order to test the feasibility of supplementing the technical assistance grants provided under clauses (ii) and (iii) of subparagraph (B) to individuals who are receiving assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), or under any comparable State funded means tested program of assistance for low-income individuals, in order to adequately assist those individuals in—

"(I) establishing small businesses; and

"(II) eliminating their dependence on that assistance.";

(2) in paragraph (4), by adding at the end the following:

"(F) SUPPLEMENTAL GRANT.—

"(i) IN GENERAL.—The Administration may accept any funds transferred to the Administration from other departments or agencies of the Federal Government to make grants in accordance with this subparagraph and section 202(b) of the Small Business Reauthorization Act of 1997 to participating intermediaries and technical assistance providers under paragraph (5), for use in accordance with clause (iii) to provide additional technical assistance and related services to recipients of assistance under a State program described in paragraph (1)(A)(iv) at the time they initially apply for assistance under this subparagraph.

"(ii) ELIGIBLE RECIPIENTS; GRANT AMOUNTS.—In making grants under this subparagraph, the Administration may select, from among participating intermediaries and technical assistance providers described in clause (i), not more than 20 grantees in fiscal year 1998, not more than 25 grantees in fiscal year 1999, and not more than 30 grantees in fiscal year 2000, each of whom may receive a grant under this subparagraph in an amount not to exceed $200,000 per year.

"(iii) USE OF GRANT AMOUNTS.—Grants under this subparagraph—

"(I) are in addition to other grants provided under this subsection and shall not require the contribution of matching amounts as a condition of eligibility; and

"(II) may be used by a grantee—

"(aa) to pay or reimburse a portion of child care and transportation costs of recipients of assistance described in clause (i), to the extent such costs are not otherwise paid by State block grants under the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) or under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(bb) for marketing, management, and technical assistance to recipients of assistance described in clause (i).

"(iv) MEMORANDUM OF UNDERSTANDING.—Prior to accepting any transfer of funds

under clause (i) from a department or agency of the Federal Government, the Administration shall enter into a Memorandum of Understanding with the department or agency, which shall—

"(I) specify the terms and conditions of the grants under this subparagraph; and

"(II) provide for appropriate monitoring of expenditures by each grantee under this subparagraph and each recipient of assistance described in clause (i) who receives assistance from a grantee under this subparagraph, in order to ensure compliance with this subparagraph by those grantees and recipients of assistance.";

(3) in paragraph (6), by adding at the end the following:

"(E) ESTABLISHMENT OF CHILD CARE OR TRANSPORTATION BUSINESSES.—In addition to other eligible small businesses concerns, borrowers under any program under this subsection may include individuals who will use the loan proceeds to establish for-profit or nonprofit child care establishments or businesses providing for-profit transportation services.";

(4) in paragraph (9)—

(A) by striking the paragraph designation and paragraph heading and inserting the following:

"(9) GRANTS FOR MANAGEMENT, MARKETING, TECHNICAL ASSISTANCE, AND RELATED SERVICES.—"; and

(B) by adding at the end the following:

"(C) WELFARE-TO-WORK MICROLOAN INITIATIVE.—Of amounts made available to carry out the welfare-to-work microloan initiative under paragraph (1)(A)(iv) in any fiscal year, the Administration may use not more than 5 percent to provide technical assistance, either directly or through contractors, to welfare-to-work microloan initiative grantees, to ensure that, as grantees, they have the knowledge, skills, and understanding of microlending and welfare-to-work transition, and other related issues, to operate a successful welfare-to-work microloan initiative."; and

(5) by adding at the end the following:

"(13) EVALUATION OF WELFARE-TO-WORK MICROLOAN INITIATIVE.—On January 31, 1999, and annually thereafter, the Administration shall submit to the Committees on Small Business of the House of Representatives and the Senate a report on any monies distributed pursuant to paragraph (4)(F).".

(b) TRANSFER OF FUNDS.—

(1) IN GENERAL.—No funds are authorized to be appropriated or otherwise provided to carry out the grant program under section 7(m)(4)(F) of the Small Business Act (15 U.S.C. 636(m)(4)(F)) (as added by this section), except by transfer from another department or agency of the Federal Government to the Administration in accordance with this subsection.

(2) LIMITATION ON AMOUNTS.—The total amount transferred to the Administration from other departments and agencies of the Federal Government to carry out the grant program under section 7(m)(4)(F) of the Small Business Act (15 U.S.C. 636(m)(4)(F)) (as added by this section) shall not exceed—

(A) $3,000,000 for fiscal year 1998;

(B) $4,000,000 for fiscal year 1999; and

(C) $5,000,000 for fiscal year 2000.

Subtitle B—Small Business Investment Company Program

SEC. 211. 5-YEAR COMMITMENTS FOR SBICs AT OPTION OF ADMINISTRATOR.

Section 20(a)(2) of the Small Business Act (15 U.S.C. 631 note) is amended in the last sentence by striking "the following fiscal year" and inserting "any 1 or more of the 4 subsequent fiscal years".

SEC. 212. UNDERSERVED AREAS.

Section 301(c)(4)(B) of the Small Business Investment Act of 1958 (15 U.S.C. 681(c)(4)(B)) is amended to read as follows:

"(B) LEVERAGE.—An applicant licensed pursuant to the exception provided in this paragraph shall not be eligible to receive leverage as a licensee until the applicant satisfies the requirements of section 302(a), unless the applicant—

"(i) files an application for a license not later than 180 days after the date of enactment of the Small Business Reauthorization Act of 1997;

"(ii) is located in a State that is not served by a licensee; and

"(iii) agrees to be limited to 1 tier of leverage available under section 302(b), until the applicant meets the requirements of section 302(a).".

SEC. 213. PRIVATE CAPITAL.

Section 103(9)(B)(iii) of the Small Business Investment Act of 1958 (15 U.S.C. 662(9)(B)(iii)) is amended—

(1) by redesignating subclauses (I) and (II) as subclauses (II) and (III), respectively; and

(2) by inserting before subclause (II) (as redesignated) the following:

"(I) funds obtained from the business revenues (excluding any governmental appropriation) of any federally chartered or government-sponsored corporation established prior to October 1, 1987;".

SEC. 214. FEES.

Section 301 of the Small Business Investment Act of 1958 (15 U.S.C. 681) is amended by adding at the end the following:

"(e) FEES.—

"(1) IN GENERAL.—The Administration may prescribe fees to be paid by each applicant for a license to operate as a small business investment company under this Act.

"(2) USE OF AMOUNTS.—Fees collected under this subsection—

"(A) shall be deposited in the account for salaries and expenses of the Administration; and

"(B) are authorized to be appropriated solely to cover the costs of licensing examinations.".

SEC. 215. SMALL BUSINESS INVESTMENT COMPANY PROGRAM REFORM.

(a) BANK INVESTMENTS.—Section 302(b) of the Small Business Investment Act of 1958 (15 U.S.C. 682(b)) is amended by striking "1956," and all that follows before the period and inserting the following: "1956, any national bank, or any member bank of the Federal Reserve System or nonmember insured bank to the extent permitted under applicable State law, may invest in any 1 or more small business investment companies, or in any entity established to invest solely in small business investment companies, except that in no event shall the total amount of such investments of any such bank exceed 5 percent of the capital and surplus of the bank".

(b) INDEXING FOR LEVERAGE.—Section 303 of the Small Business Investment Act of 1958 (15 U.S.C. 683) is amended—

(1) in subsection (b)—

(A) in paragraph (2), by adding at the end the following:

"(D)(i) The dollar amounts in subparagraphs (A), (B), and (C) shall be adjusted annually to reflect increases in the Consumer Price Index established by the Bureau of Labor Statistics of the Department of Labor.

"(ii) The initial adjustments made under this subparagraph after the date of enactment of the Small Business Reauthorization Act of 1997 shall reflect only increases from March 31, 1993."; and

(B) by striking paragraph (4) and inserting the following:

"(4) MAXIMUM AGGREGATE AMOUNT OF LEVERAGE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the aggregate amount of outstanding leverage issued to any company or companies that are commonly controlled (as determined by the Administrator) may not exceed $90,000,000, as adjusted annually for increases in the Consumer Price Index.

"(B) EXCEPTIONS.—The Administrator may, on a case-by-case basis—

"(i) approve an amount of leverage that exceeds the amount described in subparagraph (A) for companies under common control; and

"(ii) impose such additional terms and conditions as the Administrator determines to be appropriate to minimize the risk of loss to the Administration in the event of default.

"(C) APPLICABILITY OF OTHER PROVISIONS.—Any leverage that is issued to a company or companies commonly controlled in an amount that exceeds $90,000,000, whether as a result of an increase in the Consumer Price Index or a decision of the Administrator, is subject to subsection (d)."; and

(2) by striking subsection (d) and inserting the following:

"(d) REQUIRED CERTIFICATIONS.—

"(1) IN GENERAL.—The Administrator shall require each licensee, as a condition of approval of an application for leverage, to certify in writing—

"(A) for licensees with leverage less than or equal to $90,000,000, that not less than 20 percent of the licensee's aggregate dollar amount of financings will be provided to smaller enterprises; and

"(B) for licensees with leverage in excess of $90,000,000, that, in addition to satisfying the requirements of subparagraph (A), 100 percent of the licensee's aggregate dollar amount of financings made in whole or in part with leverage in excess of $90,000,000 will be provided to smaller enterprises (as defined in section 103(12)).

"(2) MULTIPLE LICENSEES.—Multiple licensees under common control (as determined by the Administrator) shall be considered to be a single licensee for purposes of determining both the applicability of and compliance with the investment percentage requirements of this subsection.".

(c) TAX DISTRIBUTIONS.—Section 303(g)(8) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)(8)) is amended by adding at the end the following: "A company may also elect to make a distribution under this paragraph at the end of any calendar quarter based on a quarterly estimate of the maximum tax liability. If a company makes 1 or more quarterly distributions for a calendar year, and the aggregate amount of those distributions exceeds the maximum amount that the company could have distributed based on a single annual computation, any subsequent distribution by the company under this paragraph shall be reduced by an amount equal to the excess amount distributed.".

(d) LEVERAGE FEE.—Section 303(i) of the Small Business Investment Act of 1958 (15 U.S.C. 683(i)) is amended by striking ", payable upon" and all that follows before the period and inserting the following: "in the following manner: 1 percent upon the date on which the Administration enters into any commitment for such leverage with the licensee, and the balance of 2 percent (or 3 percent if no commitment has been entered into

by the Administration) on the date on which the leverage is drawn by the licensee".

(e) PERIODIC ISSUANCE OF GUARANTEES AND TRUST CERTIFICATES.—Section 320 of the Small Business Investment Act of 1958 (15 U.S.C. 687m) is amended by striking "three months" and inserting "6 months".

SEC. 216. EXAMINATION FEES.

Section 310(b) of the Small Business Investment Act of 1958 (15 U.S.C. 687b(b)) is amended by inserting after the first sentence the following: "Fees collected under this subsection shall be deposited in the account for salaries and expenses of the Administration, and are authorized to be appropriated solely to cover the costs of examinations and other program oversight activities.".

Subtitle C—Certified Development Company Program

SEC. 221. LOANS FOR PLANT ACQUISITION, CONSTRUCTION, CONVERSION, AND EXPANSION.

Section 502 of the Small Business Investment Act of 1958 (15 U.S.C. 696) is amended—

(1) by striking paragraph (1) and inserting the following:

"(1) USE OF PROCEEDS.—The proceeds of any such loan shall be used solely by the borrower to assist 1 or more identifiable small business concerns and for a sound business purpose approved by the Administration.";

(2) in paragraph (3), by adding at the end the following:

"(D) SELLER FINANCING.—Seller-provided financing may be used to meet the requirements of subparagraph (B), if the seller subordinates the interest of the seller in the property to the debenture guaranteed by the Administration.

"(E) COLLATERALIZATION.—The collateral provided by the small business concern shall generally include a subordinate lien position on the property being financed under this title, and is only 1 of the factors to be evaluated in the credit determination. Additional collateral shall be required only if the Administration determines, on a case by case basis, that additional security is necessary to protect the interest of the Government."; and

(3) by adding at the end the following:

"(5) LIMITATION ON LEASING.—In addition to any portion of the project permitted to be leased under paragraph (4), not to exceed 20 percent of the project may be leased by the assisted small business to 1 or more other tenants, if the assisted small business occupies permanently and uses not less than a total of 60 percent of the space in the project after the execution of any leases authorized under this section.".

SEC. 222. DEVELOPMENT COMPANY DEBENTURES.

Section 503 of the Small Business Investment Act of 1958 (15 U.S.C. 697) is amended—

(1) in subsection (b)(7), by striking subparagraph (A) and inserting the following:

"(A) assesses and collects a fee, which shall be payable by the borrower, in an amount established annually by the Administration, which amount shall not exceed the lesser of—

"(i) 0.9375 percent per year of the outstanding balance of the loan; and

"(ii) the minimum amount necessary to reduce the cost (as defined in section 502 of the Federal Credit Reform Act of 1990) to the Administration of purchasing and guaranteeing debentures under this Act to zero; and"; and

(2) in subsection (f), by striking "1997" and inserting "2000".

SEC. 223. PREMIER CERTIFIED LENDERS PROGRAM.

(a) IN GENERAL.—Section 508 of the Small Business Investment Act of 1958 (15 U.S.C. 697e) is amended—

(1) in subsection (a), by striking "not more than 15";

(2) in subsection (b)—

(A) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking "if such company";

(ii) by striking subparagraphs (A) and (B) and inserting the following:

"(A) if the company is an active certified development company in good standing and has been an active participant in the accredited lenders program during the entire 12-month period preceding the date on which the company submits an application under paragraph (1), except that the Administration may waive this requirement if the company is qualified to participate in the accredited lenders program;

"(B) if the company has a history of—

"(i) submitting to the Administration adequately analyzed debenture guarantee application packages; and

"(ii) of properly closing section 504 loans and servicing its loan portfolio;";

(iii) in subparagraph (C)—

(I) by inserting "if the company" after "(C)"; and

(II) by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following:

"(D) the Administrator determines, with respect to the company, that the loss reserve established in accordance with subsection (c)(2) is sufficient for the company to meet its obligations to protect the Federal Government from risk of loss."; and

(B) by adding at the end the following:

"(3) APPLICABILITY OF CRITERIA AFTER DESIGNATION.—The Administrator may revoke the designation of a certified development company as a premier certified lender under this section at any time, if the Administrator determines that the certified development company does not meet any requirement described in subparagraphs (A) through (D) of paragraph (2).";

(3) by striking subsection (c) and inserting the following:

"(c) LOSS RESERVE.—

"(1) ESTABLISHMENT.—A company designated as a premier certified lender shall establish a loss reserve for financing approved pursuant to this section.

"(2) AMOUNT.—The amount of each loss reserve established under paragraph (1) shall be 10 percent of the amount of the company's exposure, as determined under subsection (b)(2)(C).

"(3) ASSETS.—Each loss reserve established under paragraph (1) shall be comprised of—

"(A) segregated funds on deposit in an account or accounts with a federally insured depository institution or institutions selected by the company, subject to a collateral assignment in favor of, and in a format acceptable to, the Administration;

"(B) irrevocable letter or letters of credit, with a collateral assignment in favor of, and a commercially reasonable format acceptable to, the Administration; or

"(C) any combination of the assets described in subparagraphs (A) and (B).

"(4) CONTRIBUTIONS.—The company shall make contributions to the loss reserve, either cash or letters of credit as provided above, in the following amounts and at the following intervals:

"(A) 50 percent when a debenture is closed.

"(B) 25 percent additional not later than 1 year after a debenture is closed.

"(C) 25 percent additional not later than 2 years after a debenture is closed.

"(5) REPLENISHMENT.—If a loss has been sustained by the Administration, any portion of the loss reserve, and other funds provided by the premier company as necessary, may be used to reimburse the Administration for the premier company's 10 percent share of the loss as provided in subsection (b)(2)(C). If the company utilizes the reserve, within 30 days it shall replace an equivalent amount of funds.

"(6) DISBURSEMENTS.—The Administration shall allow the certified development company to withdraw from the loss reserve amounts attributable to any debenture that has been repaid.";

(4) in subsection (d)(1), by striking "to approve loans" and inserting "to approve, authorize, close, service, foreclose, litigate (except that the Administration may monitor the conduct of any such litigation to which a premier certified lender is a party), and liquidate loans";

(5) in subsection (f), by striking "State or local" and inserting "certified";

(6) in subsection (g), by striking the subsection heading and inserting the following:

"(g) EFFECT OF SUSPENSION OR REVOCATION.—";

(7) by striking subsection (h) and inserting the following:

"(h) PROGRAM GOALS.—Each certified development company participating in the program under this section shall establish a goal of processing a minimum of not less than 50 percent of the loan applications for assistance under section 504 pursuant to the program authorized under this section."; and

(8) in subsection (i), by striking "other lenders" and inserting "other lenders, specifically comparing default rates and recovery rates on liquidations".

(b) REGULATIONS.—The Administrator shall—

(1) not later than 150 days after the date of enactment of this Act, promulgate regulations to carry out the amendments made by subsection (a); and

(2) not later than 180 days after the date of enactment of this Act, issue program guidelines and fully implement the amendments made by subsection (a).

(c) PROGRAM EXTENSION.—Section 217(b) of the Small Business Reauthorization and Amendments Act of 1994 (15 U.S.C. 697e note) is amended by striking "October 1, 1997" and inserting "October 1, 2000".

Subtitle D—Miscellaneous Provisions

SEC. 231. BACKGROUND CHECK OF LOAN APPLICANTS.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) by striking "(a) The Administration" and inserting the following:

"(a) LOANS TO SMALL BUSINESS CONCERNS; ALLOWABLE PURPOSES; QUALIFIED BUSINESS; RESTRICTIONS AND LIMITATIONS.—The Administration"; and

(2) in paragraph (1)—

(A) by striking "(1) No financial" and inserting the following:

"(1) IN GENERAL.—

"(A) CREDIT ELSEWHERE.—No financial"; and

(B) by adding at the end the following:

"(B) BACKGROUND CHECKS.—Prior to the approval of any loan made pursuant to this subsection, or section 503 of the Small Business Investment Act of 1958, the Administrator may verify the applicant's criminal background, or lack thereof, through the best available means, including, if possible,

use of the National Crime Information Center computer system at the Federal Bureau of Investigation.".

SEC. 232. REPORT ON INCREASED LENDER APPROVAL, SERVICING, FORECLOSURE, LIQUIDATION, AND LITIGATION OF SECTION 7(a) LOANS.

(a) IN GENERAL.—

(1) SUBMISSION.—Not later than 6 months after the date of enactment of this Act, the Administrator shall submit to the Committees a report on action taken and planned for future reliance on private sector lender resources to originate, approve, close, service, liquidate, foreclose, and litigate loans made under section 7(a) of the Small Business Act.

(2) CONTENTS.—The report under this subsection shall address administrative and other steps necessary to achieve the results described in paragraph (1), including—

(A) streamlining the process for approving lenders and standardizing requirements;

(B) establishing uniform reporting requirements using on-line automated capabilities to the maximum extent feasible;

(C) reducing paperwork through automation, simplified forms, or incorporation of lender's forms;

(D) providing uniform standards for approval, closing, servicing, foreclosure, and liquidation;

(E) promulgating new regulations or amending existing ones;

(F) establishing a timetable for implementing the plan for reliance on private sector lenders;

(G) implementing organizational changes at SBA; and

(H) estimating the annual savings that would occur as a result of implementation.

(b) CONSULTATION.—In preparing the report under subsection (a), the Administrator shall consult with, among others—

(1) borrowers and lenders under section 7(a) of the Small Business Act;

(2) small businesses that are potential program participants under section 7(a) of the Small Business Act;

(3) financial institutions that are potential program lenders under section 7(a) of the Small Business Act; and

(4) representative industry associations.

SEC. 233. COMPLETION OF PLANNING FOR LOAN MONITORING SYSTEM.

(a) IN GENERAL.—The Administrator shall perform and complete the planning needed to serve as the basis for funding the development and implementation of the computerized loan monitoring system, including—

(1) fully defining the system requirement using on-line, automated capabilities to the extent feasible;

(2) identifying all data inputs and outputs necessary for timely report generation;

(3) benchmark loan monitoring business processes and systems against comparable industry processes and, if appropriate, simplify or redefine work processes based on these benchmarks;

(4) determine data quality standards and control systems for ensuring information accuracy;

(5) identify an acquisition strategy and work increments to completion;

(6) analyze the benefits and costs of alternatives and use to demonstrate the advantage of the final project;

(7) ensure that the proposed information system is consistent with the agency's information architecture; and

(8) estimate the cost to system completion, identifying the essential cost element.

(b) REPORT.—

(1) IN GENERAL.—On the date that is 6 months after the date of enactment of this Act, the Administrator shall submit a report on the progress of the Administrator in carrying out subsection (a) to—

(A) the Committees; and

(B) the Comptroller General of the United States.

(2) EVALUATION.—Not later than 28 days after receipt of the report under paragraph (1)(B), the Comptroller General of the United States shall—

(A) prepare a written evaluation of the report for compliance with subsection (a); and

(B) submit the evaluation to the Committees.

(3) LIMITATION.—None of the funds provided for the purchase of the loan monitoring system may be obligated or expended until 45 days after the date on which the Committees and the Comptroller General of the United States receive the report under paragraph (1).

TITLE III—WOMEN'S BUSINESS ENTERPRISES

SEC. 301. INTERAGENCY COMMITTEE PARTICIPATION.

Section 403 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) in subsection (a)(2)(A)—

(A) by striking "and Amendments Act of 1994" and inserting "Act of 1997"; and

(B) by inserting before the final period ", and who shall report directly to the head of the agency on the status of the activities of the Interagency Committee";

(2) in subsection (a)(2)(B), by inserting before the final period the following: "and shall report directly to the Administrator on the status of the activities on the Interagency Committee and shall serve as the Interagency Committee Liaison to the National Women's Business Council established under section 405"; and

(3) in subsection (b), by striking "and Amendments Act of 1994" and inserting "Act of 1997".

SEC. 302. REPORTS.

Section 404 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) by inserting ", through the Small Business Administration," after "transmit";

(2) by striking paragraph (1) and redesignating paragraphs (2) through (4) as paragraphs (1) through (3), respectively; and

(3) in paragraph (1), as redesignated, by inserting before the semicolon the following: ", including a verbatim report on the status of progress of the Interagency Committee in meeting its responsibilities and duties under section 402(a)".

SEC. 303. COUNCIL DUTIES.

Section 406 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) in subsection (c), by inserting after "Administrator" the following: "(through the Assistant Administrator of the Office of Women's Business Ownership)"; and

(2) in subsection (d)—

(A) in paragraph (4), by striking "and" at the end;

(B) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

"(6) not later than 90 days after the last day of each fiscal year, submit to the President and to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives, a report containing—

"(A) a detailed description of the activities of the council, including a status report on the Council's progress toward meeting its duties outlined in subsections (a) and (d) of section 406;

"(B) the findings, conclusions, and recommendations of the Council; and

"(C) the Council's recommendations for such legislation and administrative actions as the Council considers appropriate to promote the development of small business concerns owned and controlled by women.

"(e) FORM OF TRANSMITTAL.—The information included in each report under subsection (d) that is described in subparagraphs (A) through (C) of subsection (d)(6), shall be reported verbatim, together with any separate additional, concurring, or dissenting views of the Administrator.".

SEC. 304. COUNCIL MEMBERSHIP.

Section 407 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended—

(1) in subsection (a), by striking "and Amendments Act of 1994" and inserting "Act of 1997";

(2) in subsection (b)—

(A) by striking "and Amendments Act of 1994" and inserting "Act of 1997";

(B) by inserting after "the Administrator shall" the following: ", after receiving the recommendations of the Chairman and the Ranking Member of the Committees on Small Business of the House of Representatives and the Senate,";

(C) by striking "9" and inserting "14";

(D) in paragraph (1), by striking "2" and inserting "4";

(E) in paragraph (2), by striking "2" and inserting "4"; and

(F) in paragraph (3)—

(i) by striking "5" and inserting "6";

(ii) by striking "national"; and

(iii) by inserting ", including representatives of women's business center sites" before the period at the end;

(3) in subsection (c), by inserting "(including both urban and rural areas)" after "geographic";

(4) by striking subsection (d) and inserting the following:

"(d) TERMS.—Each member of the Council shall be appointed for a term of 3 years, except that, of the initial members appointed to the Council—

"(1) 2 members appointed under subsection (b)(1) shall be appointed for a term of 1 year;

"(2) 2 members appointed under subsection (b)(2) shall be appointed for a term of 1 year; and

"(3) each member appointed under subsection (b)(3) shall be appointed for a term of 2 years."; and

(5) by striking subsection (f) and inserting the following:

"(f) VACANCIES.—

"(1) IN GENERAL.—A vacancy on the Council shall be filled not later than 30 days after the date on which the vacancy occurs, in the manner in which the original appointment was made, and shall be subject to any conditions that applied to the original appointment.

"(2) UNEXPIRED TERM.—An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.".

SEC. 305. AUTHORIZATION OF APPROPRIATIONS.

Section 409 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended to read as follows:

"SEC. 411. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There is authorized to be appropriated to carry out this title $600,000, for each of fiscal years 1998 through 2000, of which $200,000 shall be available in

each fiscal year to carry out sections 409 and 410.

"(b) BUDGET REVIEW.—No amount made available under this section for any fiscal year may be obligated or expended by the Council before the date on which the Council reviews and approves the operating budget of the Council to carry out the responsibilities of the Council for that fiscal year.".

SEC. 306. NATIONAL WOMEN'S BUSINESS COUNCIL PROCUREMENT PROJECT.

The Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended by inserting after section 408 the following:

"SEC. 409. NATIONAL WOMEN'S BUSINESS COUNCIL PROCUREMENT PROJECT.

"(a) FEDERAL PROCUREMENT STUDY.—

"(1) IN GENERAL.—During the first fiscal year for which amounts are made available to carry out this section, the Council shall conduct a study on the award of Federal prime contracts and subcontracts to women-owned businesses, which study shall include—

"(A) an analysis of data collected by Federal agencies on contract awards to women-owned businesses;

"(B) a determination of the degree to which individual Federal agencies are in compliance with the 5 percent women-owned business procurement goal established by section 15(g)(1) of the Small Business Act (15 U.S.C. 644(g)(1));

"(C) a determination of the types and amounts of Federal contracts characteristically awarded to women-owned businesses; and

"(D) other relevant information relating to participation of women-owned businesses in Federal procurement.

"(2) SUBMISSION OF RESULTS.—Not later than 12 months after initiating the study under paragraph (1), the Council shall submit to the Committees on Small Business of the House of Representatives and the Senate, and to the President, the results of the study conducted under paragraph (1).

"(b) BEST PRACTICES REPORT.—Not later than 18 months after initiating the study under subsection (a)(1), the Council shall submit to the Committees on Small Business of the House of Representatives and the Senate, and to the President, a report, which shall include—

"(1) an analysis of the most successful practices in attracting women-owned businesses as prime contractors and subcontractors by—

"(A) Federal agencies (as supported by findings from the study required under subsection (a)(1)) in Federal procurement awards; and

"(B) the private sector; and

"(2) recommendations for policy changes in Federal procurement practices, including an increase in the Federal procurement goal for women-owned businesses, in order to maximize the number of women-owned businesses performing Federal contracts.

"(c) CONTRACT AUTHORITY.—In conducting any study or other research under this section, the Council may contract with 1 or more public or private entities.".

SEC. 307. STUDIES AND OTHER RESEARCH.

The Women's Business Ownership Act of 1988 (15 U.S.C. 631 note) is amended by inserting after section 409 (as added by section 306 of this title) the following:

"SEC. 410. STUDIES AND OTHER RESEARCH.

"(a) IN GENERAL.—To the extent that it does not delay submission of the report under section 409(b), the Council may also conduct such studies and other research relating to the award of Federal prime contracts and subcontracts to women-owned businesses, or to issues relating to access to credit and investment capital by women entrepreneurs, as the Council determines to be appropriate.

"(b) CONTRACT AUTHORITY.—In conducting any study or other research under this section, the Council may contract with 1 or more public or private entities.".

SEC. 308. WOMEN'S BUSINESS CENTERS.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended to read as follows:

"SEC. 29. WOMEN'S BUSINESS CENTER PROGRAM.

"(a) DEFINITIONS.—In this section—

"(1) the term 'Assistant Administrator' means the Assistant Administrator of the Office of Women's Business Ownership established under subsection (g);

"(2) the term 'small business concern owned and controlled by women', either startup or existing, includes any small business concern—

"(A) that is not less than 51 percent owned by 1 or more women; and

"(B) the management and daily business operations of which are controlled by 1 or more women; and

"(3) the term 'women's business center site' means the location of—

"(A) a women's business center; or

"(B) 1 or more women's business centers, established in conjunction with another women's business center in another location within a State or region—

"(i) that reach a distinct population that would otherwise not be served;

"(ii) whose services are targeted to women; and

"(iii) whose scope, function, and activities are similar to those of the primary women's business center or centers in conjunction with which it was established.

"(b) AUTHORITY.—The Administration may provide financial assistance to private organizations to conduct 5-year projects for the benefit of small business concerns owned and controlled by women. The projects shall provide—

"(1) financial assistance, including training and counseling in how to apply for and secure business credit and investment capital, preparing and presenting financial statements, and managing cash flow and other financial operations of a business concern;

"(2) management assistance, including training and counseling in how to plan, organize, staff, direct, and control each major activity and function of a small business concern; and

"(3) marketing assistance, including training and counseling in identifying and segmenting domestic and international market opportunities, preparing and executing marketing plans, developing pricing strategies, locating contract opportunities, negotiating contracts, and utilizing varying public relations and advertising techniques.

"(c) CONDITIONS OF PARTICIPATION.—

"(1) NON-FEDERAL CONTRIBUTIONS.—As a condition of receiving financial assistance authorized by this section, the recipient organization shall agree to obtain, after its application has been approved and notice of award has been issued, cash contributions from non-Federal sources as follows:

"(A) in the first and second years, 1 non-Federal dollar for each 2 Federal dollars;

"(B) in the third and fourth years, 1 non-Federal dollar for each Federal dollar; and

"(C) in the fifth year, 2 non-Federal dollars for each Federal dollar.

"(2) FORM OF NON-FEDERAL CONTRIBUTIONS.—Not more than one-half of the non-Federal sector matching assistance may be in the form of in-kind contributions that are budget line items only, including office equipment and office space.

"(3) FORM OF FEDERAL CONTRIBUTIONS.—The financial assistance authorized pursuant to this section may be made by grant, contract, or cooperative agreement and may contain such provision, as necessary, to provide for payments in lump sum or installments, and in advance or by way of reimbursement. The Administration may disburse up to 25 percent of each year's Federal share awarded to a recipient organization after notice of the award has been issued and before the non-Federal sector matching funds are obtained.

"(4) FAILURE TO OBTAIN NON-FEDERAL FUNDING.—If any recipient of assistance fails to obtain the required non-Federal contribution during any project, it shall not be eligible thereafter for advance disbursements pursuant to paragraph (3) during the remainder of that project, or for any other project for which it is or may be funded by the Administration, and prior to approving assistance to such organization for any other projects, the Administration shall specifically determine whether the Administration believes that the recipient will be able to obtain the requisite non-Federal funding and enter a written finding setting forth the reasons for making such determination.

"(d) CONTRACT AUTHORITY.—A women's business center may enter into a contract with a Federal department or agency to provide specific assistance to women and other underserved small business concerns. Performance of such contract should not hinder the women's business centers in carrying out the terms of the grant received by the women's business centers from the Administration.

"(e) SUBMISSION OF 5-YEAR PLAN.—Each applicant organization initially shall submit a 5-year plan to the Administration on proposed fundraising and training activities, and a recipient organization may receive financial assistance under this program for a maximum of 5 years per women's business center site.

"(f) CRITERIA.—The Administration shall evaluate and rank applicants in accordance with predetermined selection criteria that shall be stated in terms of relative importance. Such criteria and their relative importance shall be made publicly available and stated in each solicitation for applications made by the Administration. The criteria shall include—

"(1) the experience of the applicant in conducting programs or ongoing efforts designed to impart or upgrade the business skills of women business owners or potential owners;

"(2) the present ability of the applicant to commence a project within a minimum amount of time;

"(3) the ability of the applicant to provide training and services to a representative number of women who are both socially and economically disadvantaged; and

"(4) the location for the women's business center site proposed by the applicant.

"(g) OFFICE OF WOMEN'S BUSINESS OWNERSHIP.—

"(1) ESTABLISHMENT.—There is established within the Administration an Office of Women's Business Ownership, which shall be responsible for the administration of the Administration's programs for the development of women's business enterprises (as defined in section 408 of the Women's Business Ownership Act of 1988 (15 U.S.C. 631 note)). The Office of Women's Business Ownership shall

be administered by an Assistant Administrator, who shall be appointed by the Administrator.

"(2) ASSISTANT ADMINISTRATOR OF THE OFFICE OF WOMEN'S BUSINESS OWNERSHIP.—

"(A) QUALIFICATION.—The position of Assistant Administrator shall be a Senior Executive Service position under section 3132(a)(2) of title 5, United States Code. The Assistant Administrator shall serve as a noncareer appointee (as defined in section 3132(a)(7) of that title).

"(B) RESPONSIBILITIES AND DUTIES.—

"(i) RESPONSIBILITIES.—The responsibilities of the Assistant Administrator shall be to administer the programs and services of the Office of Women's Business Ownership established to assist women entrepreneurs in the areas of—

"(I) starting and operating a small business;

"(II) development of management and technical skills;

"(III) seeking Federal procurement opportunities; and

"(IV) increasing the opportunity for access to capital.

"(ii) DUTIES.—The Assistant Administrator shall—

"(I) administer and manage the Women's Business Center program;

"(II) recommend the annual administrative and program budgets for the Office of Women's Business Ownership (including the budget for the Women's Business Center program);

"(III) establish appropriate funding levels therefore;

"(IV) review the annual budgets submitted by each applicant for the Women's Business Center program;

"(V) select applicants to participate in the program under this section;

"(VI) implement this section;

"(VII) maintain a clearinghouse to provide for the dissemination and exchange of information between women's business centers;

"(VIII) serve as the vice chairperson of the Interagency Committee on Women's Business Enterprise;

"(IX) serve as liaison for the National Women's Business Council; and

"(X) advise the Administrator on appointments to the Women's Business Council.

"(C) CONSULTATION REQUIREMENTS.—In carrying out the responsibilities and duties described in this paragraph, the Assistant Administrator shall confer with and seek the advice of the Administration officials in areas served by the women's business centers.

"(h) PROGRAM EXAMINATION.—

"(1) IN GENERAL.—Not later than 180 days after the date of enactment of the Small Business Reauthorization Act of 1997, the Administrator shall develop and implement an annual programmatic and financial examination of each women's business center established pursuant to this section.

"(2) EXTENSION OF CONTRACTS.—In extending or renewing a contract with a women's business center, the Administrator shall consider the results of the examination conducted under paragraph (1).

"(i) CONTRACT AUTHORITY.—The authority of the Administrator to enter into contracts shall be in effect for each fiscal year only to the extent and in the amounts as are provided in advance in appropriations Acts. After the Administrator has entered into a contract, either as a grant or a cooperative agreement, with any applicant under this section, it shall not suspend, terminate, or fail to renew or extend any such contract unless the Administrator provides the applicant with written notification setting forth the reasons therefore and affords the applicant an opportunity for a hearing, appeal, or other administrative proceeding under chapter 5 of title 5, United States Code.

"(j) REPORT.—The Administrator shall prepare and submit an annual report to the Committees on Small Business of the House of Representatives and the Senate on the effectiveness of all projects conducted under the authority of this section. Such report shall provide information concerning—

"(1) the number of individuals receiving assistance;

"(2) the number of startup business concerns formed;

"(3) the gross receipts of assisted concerns;

"(4) increases or decreases in profits of assisted concerns; and

"(5) the employment increases or decreases of assisted concerns.

"(k) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There is authorized to be appropriated $8,000,000 for each fiscal year to carry out the projects authorized under this section, of which, for fiscal year 1998, not more than 5 percent may be used for administrative expenses related to the program under this section.

"(2) USE OF AMOUNTS.—Amounts made available under this subsection for fiscal year 1999, and each fiscal year thereafter, may only be used for grant awards and may not be used for costs incurred by the Administration in connection with the management and administration of the program under this section.

"(3) EXPEDITED ACQUISITION.—Notwithstanding any other provision of law, the Administrator, acting through the Assistant Administrator, may use such expedited acquisition methods as the Administrator determines to be appropriate to carry out this section, except that the Administrator shall ensure that all small business sources are provided a reasonable opportunity to submit proposals.".

(b) APPLICABILITY.—

(1) IN GENERAL.—Subject to paragraph (2), any organization conducting a 3-year project under section 29 of the Small Business Act (15 U.S.C. 656) (as in effect on the day before the effective date of this Act) on September 30, 1997, may request an extension of the term of that project to a total term of 5 years. If such an extension is made, the organization shall receive financial assistance in accordance with section 29(c) of the Small Business Act (as amended by this section) subject to procedures established by the Administrator, in coordination with the Assistant Administrator of the Office of Women's Business Ownership established under section 29 of the Small Business Act (15 U.S.C. 656) (as amended by this section).

(2) TERMS OF ASSISTANCE FOR CERTAIN ORGANIZATIONS.—Any organization operating in the third year of a 3-year project under section 29 of the Small Business Act (15 U.S.C. 656) (as in effect on the day before the effective date of this Act) on September 30, 1997, may request an extension of the term of that project to a total term of 5 years. If such an extension is made, during the fourth and fifth years of the project, the organization shall receive financial assistance in accordance with section 29(c)(1)(C) of the Small Business Act (as amended by this section) subject to procedures established by the Administrator, in coordination with the Assistant Administrator of the Office of Women's Business Ownership established under section 29 of the Small Business Act (15 U.S.C. 656) (as amended by this section).

TITLE IV—COMPETITIVENESS PROGRAM AND PROCUREMENT OPPORTUNITIES

Subtitle A—Small Business Competitiveness Program

SEC. 401. PROGRAM TERM.

Section 711(c) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by striking ", and terminate on September 30, 1997".

SEC. 402. MONITORING AGENCY PERFORMANCE.

Section 712(d)(1) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended to read as follows:

"(1) Participating agencies shall monitor the attainment of their small business participation goals on an annual basis. An annual review by each participating agency shall be completed not later than January 31 of each year, based on the data for the preceding fiscal year, from October 1 through September 30.".

SEC. 403. REPORTS TO CONGRESS.

Section 716(a) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended—

(1) by striking "1996" and inserting "2000";

(2) by striking "for Federal Procurement Policy" and inserting "of the Small Business Administration"; and

(3) by striking "Government Operations" and inserting "Government Reform and Oversight".

SEC. 404. SMALL BUSINESS PARTICIPATION IN DREDGING.

Section 722(a) of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by striking "and terminating on September 30, 1997".

SEC. 405. TECHNICAL AMENDMENTS.

Section 717 of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended—

(1) by inserting "or North American Industrial Classification Code" after "standard industrial classification code" each place it appears; and

(2) by inserting "or North American Industrial Classification Codes" after "standard industrial classification codes" each place it appears.

Subtitle B—Small Business Procurement Opportunities Program

SEC. 411. CONTRACT BUNDLING.

Section 2 of the Small Business Act (15 U.S.C. 631) is amended by adding at the end the following:

"(j) CONTRACT BUNDLING.—In complying with the statement of congressional policy expressed in subsection (a), relating to fostering the participation of small business concerns in the contracting opportunities of the Government, each Federal agency, to the maximum extent practicable, shall—

"(1) comply with congressional intent to foster the participation of small business concerns as prime contractors, subcontractors, and suppliers;

"(2) structure its contracting requirements to facilitate competition by and among small business concerns, taking all reasonable steps to eliminate obstacles to their participation; and

"(3) avoid unnecessary and unjustified bundling of contract requirements that precludes small business participation in procurements as prime contractors.".

SEC. 412. DEFINITION OF CONTRACT BUNDLING.

Section 3 of the Small Business Act (15 U.S.C. 632) is amended by adding at the end the following:

"(o) DEFINITIONS OF BUNDLING OF CONTRACT REQUIREMENTS AND RELATED TERMS.—In this Act:

"(1) BUNDLED CONTRACT.—The term 'bundled contract' means a contract that is entered into to meet requirements that are consolidated in a bundling of contract requirements.

"(2) BUNDLING OF CONTRACT REQUIREMENTS.—The term 'bundling of contract requirements' means consolidating 2 or more procurement requirements for goods or services previously provided or performed under separate smaller contracts into a solicitation of offers for a single contract that is likely to be unsuitable for award to a small-business concern due to—

"(A) the diversity, size, or specialized nature of the elements of the performance specified;

"(B) the aggregate dollar value of the anticipated award;

"(C) the geographical dispersion of the contract performance sites; or

"(D) any combination of the factors described in subparagraphs (A), (B), and (C).

"(3) SEPARATE SMALLER CONTRACT.—The term 'separate smaller contract', with respect to a bundling of contract requirements, means a contract that has been performed by 1 or more small business concerns or was suitable for award to 1 or more small business concerns.".

SEC. 413. ASSESSING PROPOSED CONTRACT BUNDLING.

(a) IN GENERAL.—Section 15 of the Small Business Act (15 U.S.C. 644) is amended by inserting after subsection (d) the following:

"(e) PROCUREMENT STRATEGIES; CONTRACT BUNDLING.—

"(1) IN GENERAL.—To the maximum extent practicable, procurement strategies used by the various agencies having contracting authority shall facilitate the maximum participation of small business concerns as prime contractors, subcontractors, and suppliers.

"(2) MARKET RESEARCH.—

"(A) IN GENERAL.—Before proceeding with an acquisition strategy that could lead to a contract containing consolidated procurement requirements, the head of an agency shall conduct market research to determine whether consolidation of the requirements is necessary and justified.

"(B) FACTORS.—For purposes of subparagraph (A), consolidation of the requirements may be determined as being necessary and justified if, as compared to the benefits that would be derived from contracting to meet those requirements if not consolidated, the Federal Government would derive from the consolidation measurably substantial benefits, including any combination of benefits that, in combination, are measurably substantial. Benefits described in the preceding sentence may include the following:

"(i) Cost savings.

"(ii) Quality improvements.

"(iii) Reduction in acquisition cycle times.

"(iv) Better terms and conditions.

"(v) Any other benefits.

"(C) REDUCTION OF COSTS NOT DETERMINATIVE.—The reduction of administrative or personnel costs alone shall not be a justification for bundling of contract requirements unless the cost savings are expected to be substantial in relation to the dollar value of the procurement requirements to be consolidated.

"(3) STRATEGY SPECIFICATIONS.—If the head of a contracting agency determines that a proposed procurement strategy for a procurement involves a substantial bundling of contract requirements, the proposed procurement strategy shall—

"(A) identify specifically the benefits anticipated to be derived from the bundling of contract requirements;

"(B) set forth an assessment of the specific impediments to participation by small business concerns as prime contractors that result from the bundling of contract requirements and specify actions designed to maximize small business participation as subcontractors (including suppliers) at various tiers under the contract or contracts that are awarded to meet the requirements; and

"(C) include a specific determination that the anticipated benefits of the proposed bundled contract justify its use.

"(4) CONTRACT TEAMING.—In the case of a solicitation of offers for a bundled contract that is issued by the head of an agency, a small-business concern may submit an offer that provides for use of a particular team of subcontractors for the performance of the contract. The head of the agency shall evaluate the offer in the same manner as other offers, with due consideration to the capabilities of all of the proposed subcontractors. If a small business concern teams under this paragraph, it shall not affect its status as a small business concern for any other purpose.".

(b) ADMINISTRATION REVIEW.—Section 15(a) of the Small Business Act (15 U.S.C. 644(a)) is amended in the third sentence—

(1) by inserting "or the solicitation involves an unnecessary or unjustified bundling of contract requirements, as determined by the Administration," after "discrete construction projects,";

(2) by striking "or (4)" and inserting "(4)"; and

(3) by inserting before the period at the end of the sentence the following: ", or (5) why the agency has determined that the bundled contract (as defined in section 3(o)) is necessary and justified".

(c) RESPONSIBILITIES OF AGENCY SMALL BUSINESS ADVOCATES.—Section 15(k) of the Small Business Act (15 U.S.C. 644(k)) is amended—

(1) by redesignating paragraphs (5) through (9) as paragraphs (6) through (10), respectively; and

(2) by inserting after paragraph (4) the following:

"(5) identify proposed solicitations that involve significant bundling of contract requirements, and work with the agency acquisition officials and the Administration to revise the procurement strategies for such proposed solicitations where appropriate to increase the probability of participation by small businesses as prime contractors, or to facilitate small business participation as subcontractors and suppliers, if a solicitation for a bundled contract is to be issued;".

SEC. 414. REPORTING OF BUNDLED CONTRACT OPPORTUNITIES.

(a) DATA COLLECTION REQUIRED.—The Federal Procurement Data System described in section 6(d)(4)(A) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(d)(4)(A)) shall be modified to collect data regarding bundling of contract requirements when the contracting officer anticipates that the resulting contract price, including all options, is expected to exceed $5,000,000. The data shall reflect a determination made by the contracting officer regarding whether a particular solicitation constitutes a contract bundling.

(b) DEFINITIONS.—In this section, the term "bundling of contract requirements" has the meaning given that term in section 3(o) of the Small Business Act (15 U.S.C. 632(o)) (as added by section 412 of this subtitle).

SEC. 415. EVALUATING SUBCONTRACT PARTICIPATION IN AWARDING CONTRACTS.

Section 8(d)(4) of the Small Business Act (15 U.S.C. 637(d)(4)) is amended by adding at the end the following:

"(G) The following factors shall be designated by the Federal agency as significant factors for purposes of evaluating offers for a bundled contract where the head of the agency determines that the contract offers a significant opportunity for subcontracting:

"(i) A factor that is based on the rate provided under the subcontracting plan for small business participation in the performance of the contract.

"(ii) For the evaluation of past performance of an offeror, a factor that is based on the extent to which the offeror attained applicable goals for small business participation in the performance of contracts.".

SEC. 416. IMPROVED NOTICE OF SUBCONTRACTING OPPORTUNITIES.

(a) USE OF THE COMMERCE BUSINESS DAILY AUTHORIZED.—Section 8 of the Small Business Act (15 U.S.C. 637) is amended by adding at the end the following:

"(k) NOTICES OF SUBCONTRACTING OPPORTUNITIES.—

"(1) IN GENERAL.—Notices of subcontracting opportunities may be submitted for publication in the Commerce Business Daily by—

"(A) a business concern awarded a contract by an executive agency subject to subsection (e)(1)(C); and

"(B) a business concern that is a subcontractor or supplier (at any tier) to such contractor having a subcontracting opportunity in excess of $10,000.

"(2) CONTENT OF NOTICE.—The notice of a subcontracting opportunity shall include—

"(A) a description of the business opportunity that is comparable to the description specified in paragraphs (1), (2), (3), and (4) of subsection (f); and

"(B) the due date for receipt of offers.".

(b) REGULATIONS REQUIRED.—The Federal Acquisition Regulation shall be amended to provide uniform implementation of the amendments made by this section.

(c) CONFORMING AMENDMENT.—Section 8(e)(1)(C) of the Small Business Act (15 U.S.C. 637(e)(1)(C)) is amended by striking "$25,000" each place that term appears and inserting "$100,000".

SEC. 417. DEADLINES FOR ISSUANCE OF REGULATIONS.

(a) PROPOSED REGULATIONS.—Proposed amendments to the Federal Acquisition Regulation or proposed Small Business Administration regulations under this subtitle and the amendments made by this subtitle shall be published not later than 120 days after the date of enactment of this Act for the purpose of obtaining public comment pursuant to section 22 of the Office of Federal Procurement Policy Act (41 U.S.C. 418b), or chapter 5 of title 5, United States Code, as appropriate. The public shall be afforded not less than 60 days to submit comments.

(b) FINAL REGULATIONS.—Final regulations shall be published not later than 270 days after the date of enactment of this Act. The effective date for such final regulations shall be not less than 30 days after the date of publication.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM.

(a) REQUIRED EXPENDITURES.—Section 9(n) of the Small Business Act (15 U.S.C. 638(n)) is amended by striking paragraph (1) and inserting the following:

"(1) REQUIRED EXPENDITURE AMOUNTS.—With respect to fiscal years 1998, 1999, 2000,

and 2001, each Federal agency that has an extramural budget for research, or research and development, in excess of $1,000,000,000 for that fiscal year, is authorized to expend with small business concerns not less than 0.15 percent of that extramural budget specifically in connection with STTR programs that meet the requirements of this section and any policy directives and regulations issued under this section.".

(b) REPORTS AND OUTREACH.—

(1) IN GENERAL.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended—

(A) in subsection (o)—

(i) by redesignating paragraphs (8) through (11) as paragraphs (10) through (13), respectively; and

(ii) by inserting after paragraph (7) the following:

"(8) include, as part of its annual performance plan as required by subsections (a) and (b) of section 1115 of title 31, United States Code, a section on its STTR program, and shall submit such section to the Committee on Small Business of the Senate, and the Committee on Science and the Committee on Small Business of the House of Representatives;

"(9) collect such data from awardees as is necessary to assess STTR program outputs and outcomes;";

(B) in subsection (e)(4)(A), by striking "(ii)"; and

(C) by adding at the end the following:

"(s) OUTREACH.—

"(1) DEFINITION OF ELIGIBLE STATE.—In this subsection, the term 'eligible State' means a State—

"(A) if the total value of contracts awarded to the State during fiscal year 1995 under this section was less than $5,000,000; and

"(B) that certifies to the Administration described in paragraph (2) that the State will, upon receipt of assistance under this subsection, provide matching funds from non-Federal sources in an amount that is not less than 50 percent of the amount provided under this subsection.

"(2) PROGRAM AUTHORITY.—Of amounts made available to carry out this section for fiscal year 1998, 1999, 2000, or 2001 the Administrator may expend with eligible States not more than $2,000,000 in each such fiscal year in order to increase the participation of small business concerns located in those States in the programs under this section.

"(3) AMOUNT OF ASSISTANCE.—The amount of assistance provided to an eligible State under this subsection in any fiscal year—

"(A) shall be equal to twice the total amount of matching funds from non-Federal sources provided by the State; and

"(B) shall not exceed $100,000.

"(4) USE OF ASSISTANCE.—Assistance provided to an eligible State under this subsection shall be used by the State, in consultation with State and local departments and agencies, for programs and activities to increase the participation of small business concerns located in the State in the programs under this section, including—

"(A) the establishment of quantifiable performance goals, including goals relating to—

"(i) the number of program awards under this section made to small business concerns in the State; and

"(ii) the total amount of Federal research and development contracts awarded to small business concerns in the State;

"(B) the provision of competition outreach support to small business concerns in the State that are involved in research and development; and

"(C) the development and dissemination of educational and promotional information relating to the programs under this section to small business concerns in the State.

"(t) INCLUSION IN STRATEGIC PLANS.—Program information relating to the SBIR and STTR programs shall be included by each Federal agency in any update or revision required of the Federal agency under section 306(b) of title 5, United States Code.".

(2) REPEAL.—Effective October 1, 2001, section 9(s) of the Small Business Act (as added by paragraph (1) of this subsection) is repealed.

SEC. 502. SMALL BUSINESS DEVELOPMENT CENTERS.

(a) IN GENERAL.—Section 21(a) of the Small Business Act (15 U.S.C. 648(a)) is amended—

(1) in paragraph (1)—

(A) by inserting "any women's business center operating pursuant to section 29," after "credit or finance corporation,";

(B) by inserting "or a women's business center operating pursuant to section 29" after "other than an institution of higher education"; and

(C) by inserting "and women's business centers operating pursuant to section 29" after "utilize institutions of higher education";

(2) in paragraph (3)—

(A) by striking ", but with" and all that follows through "parties." and inserting the following: "for the delivery of programs and services to the small business community. Such programs and services shall be jointly developed, negotiated, and agreed upon, with full participation of both parties, pursuant to an executed cooperative agreement between the Small Business Development Center applicant and the Administration."; and

(B) by adding at the end the following:

"(C) On an annual basis, the Small Business Development Center shall review and coordinate public and private partnerships and cosponsorships with the Administration for the purpose of more efficiently leveraging available resources on a National and a State basis.";

(3) in paragraph (4)(C)—

(A) by striking clause (i) and inserting the following:

"(i) IN GENERAL.—

"(I) GRANT AMOUNT.—Subject to subclauses (II) and (III), the amount of a grant received by a State under this section shall be equal to the greater of $500,000, or the sum of—

"(aa) the State's pro rata share of the national program, based upon the population of the State as compared to the total population of the United States; and

"(bb) $300,000 in fiscal year 1998, $400,000 in fiscal year 1999, and $500,000 in each fiscal year thereafter.

"(II) PRO RATA REDUCTIONS.—If the amount made available to carry out this section for any fiscal year is insufficient to carry out subclause (I)(bb), the Administration shall make pro rata reductions in the amounts otherwise payable to States under subclause (I)(bb).

"(III) MATCHING REQUIREMENT.—The amount of a grant received by a State under this section shall not exceed the amount of matching funds from sources other than the Federal Government provided by the State under subparagraph (A)."; and

(B) in clause (iii), by striking "(iii)" and all that follows through "1997." and inserting the following:

"(iii) NATIONAL PROGRAM.—There are authorized to be appropriated to carry out the national program under this section—

"(I) $85,000,000 for fiscal year 1998;

"(II) $90,000,000 for fiscal year 1999; and

"(III) $95,000,000 for fiscal year 2000 and each fiscal year thereafter."; and

(4) in paragraph (6)—

(A) in subparagraph (A), by striking "and" at the end;

(B) in subparagraph (B), by striking the comma at the end and inserting "; and"; and

(C) inserting after subparagraph (B) the following:

"(C) with outreach, development, and enhancement of minority-owned small business startups or expansions, HUBZone small business concerns, veteran-owned small business startups or expansions, and women-owned small business startups or expansions, in communities impacted by base closings or military or corporate downsizing, or in rural or underserved communities;".

(b) SBDC SERVICES.—Section 21(c) of the Small Business Act (15 U.S.C. 648(c)) is amended—

(1) in paragraph (3)—

(A) in subparagraph (A), by striking "businesses;" and inserting "businesses, including—

"(i) working with individuals to increase awareness of basic credit practices and credit requirements;

"(ii) working with individuals to development business plans, financial packages, credit applications, and contract proposals;

"(iii) working with the Administration to develop and provide informational tools for use in working with individuals on pre-business startup planning, existing business expansion, and export planning; and

"(iv) working with individuals referred by the local offices of the Administration and Administration participating lenders;";

(B) in each of subparagraphs (B), (C), (D), (E), (F), (G), (M), (N), (O), (Q), and (R) by moving each margin 2 ems to the left; and

(C) in subparagraph (C), by inserting "and the Administration" after "Center";

(2) in paragraph (5)—

(A) by moving the margin 2 ems to the right;

(B) by striking "paragraph (a)(1)" and inserting "subsection (a)(1)";

(C) by striking "which ever" and inserting "whichever"; and

(D) by striking "last,," and inserting "last,";

(3) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively; and

(4) in paragraph (3), in the undesignated material following subparagraph (R), by striking "A small" and inserting the following:

"(4) A small".

(c) COMPETITIVE AWARDS.—Section 21(l) of the Small Business Act (15 U.S.C. 648(l)) is amended by adding at the end the following: "If any contract or cooperative agreement under this section with an entity that is covered by this section is not renewed or extended, any award of a successor contract or cooperative agreement under this section to another entity shall be made on a competitive basis.".

(d) PROHIBITION ON CERTAIN FEES.—Section 21 of the Small Business Act (15 U.S.C. 648) is amended by adding at the end the following:

"(m) PROHIBITION ON CERTAIN FEES.—A small business development center shall not impose or otherwise collect a fee or other compensation in connection with the provision of counseling services under this section.".

SEC. 503. PILOT PREFERRED SURETY BOND GUARANTEE PROGRAM EXTENSION.

Section 207 of the Small Business Administration Reauthorization and Amendment Act of 1988 (15 U.S.C. 694b note) is amended by striking "September 30, 1997" and inserting "September 30, 2000".

SEC. 504. EXTENSION OF COSPONSORSHIP AUTHORITY.

Section 401(a)(2) of the Small Business Administration Reauthorization and Amendments Act of 1994 (15 U.S.C. 637 note) is amended by striking "September 30, 1997" and inserting "September 30, 2000".

SEC. 505. ASSET SALES.

In connection with the Administration's implementation of a program to sell to the private sector loans and other assets held by the Administration, the Administration shall provide to the Committees a copy of the draft and final plans describing the sale and the anticipated benefits resulting from such sale.

SEC. 506. SMALL BUSINESS EXPORT PROMOTION.

(a) IN GENERAL.—Section 21(c)(3) of the Small Business Act (15 U.S.C. 648(c)(3)) is amended—

(1) in subparagraph (Q), by striking "and" at the end;

(2) in subparagraph (R), by striking the period at the end and inserting "; and"; and

(3) by inserting after subparagraph (R) the following:

"(S) providing small business owners with access to a wide variety of export-related information by establishing on-line computer linkages between small business development centers and an international trade data information network with ties to the Export Assistance Center program.".

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out section 21(c)(3)(S) of the Small Business Act (15 U.S.C. 648(c)(3)(S)), as added by this section, $1,500,000 for each fiscal years 1998 and 1999.

SEC. 507. DEFENSE LOAN AND TECHNICAL ASSISTANCE PROGRAM.

(a) DELTA PROGRAM AUTHORIZED.—

(1) IN GENERAL.—The Administrator may administer the Defense Loan and Technical Assistance program in accordance with the authority and requirements of this section.

(2) EXPIRATION OF AUTHORITY.—The authority of the Administrator to carry out the DELTA program under paragraph (1) shall terminate when the funds referred to in subsection (g)(1) have been expended.

(3) DELTA PROGRAM DEFINED.—In this section, the terms "Defense Loan and Technical Assistance program" and "DELTA program" mean the Defense Loan and Technical Assistance program that has been established by a memorandum of understanding entered into by the Administrator and the Secretary of Defense on June 26, 1995.

(b) ASSISTANCE.—

(1) AUTHORITY.—Under the DELTA program, the Administrator may assist small business concerns that are economically dependent on defense expenditures to acquire dual-use capabilities.

(2) FORMS OF ASSISTANCE.—Forms of assistance authorized under paragraph (1) are as follows:

(A) LOAN GUARANTEES.—Loan guarantees under the terms and conditions specified under this section and other applicable law.

(B) NONFINANCIAL ASSISTANCE.—Other forms of assistance that are not financial.

(c) ADMINISTRATION OF PROGRAM.—In the administration of the DELTA program under this section, the Administrator shall—

(1) process applications for DELTA program loan guarantees;

(2) guarantee repayment of the resulting loans in accordance with this section; and

(3) take such other actions as are necessary to administer the program.

(d) SELECTION AND ELIGIBILITY REQUIREMENTS FOR DELTA LOAN GUARANTEES.—

(1) IN GENERAL.—The selection criteria and eligibility requirements set forth in this subsection shall be applied in the selection of small business concerns to receive loan guarantees under the DELTA program.

(2) SELECTION CRITERIA.—The criteria used for the selection of a small business concern to receive a loan guarantee under this section are as follows:

(A) The selection criteria established under the memorandum of understanding referred to in subsection (a)(3).

(B) The extent to which the loans to be guaranteed would support the retention of defense workers whose employment would otherwise be permanently or temporarily terminated as a result of reductions in expenditures by the United States for defense, the termination or cancellation of a defense contract, the failure to proceed with an approved major weapon system, the merger or consolidation of the operations of a defense contractor, or the closure or realignment of a military installation.

(C) The extent to which the loans to be guaranteed would stimulate job creation and new economic activities in communities most adversely affected by reductions in expenditures by the United States for defense, the termination or cancellation of a defense contract, the failure to proceed with an approved major weapon system, the merger or consolidation of the operations of a defense contractor, or the closure or realignment of a military installation.

(D) The extent to which the loans to be guaranteed would be used to acquire (or permit the use of other funds to acquire) capital equipment to modernize or expand the facilities of the borrower to enable the borrower to remain in the national technology and industrial base available to the Department of Defense.

(3) ELIGIBILITY REQUIREMENTS.—To be eligible for a loan guarantee under the DELTA program, a borrower must demonstrate to the satisfaction of the Administrator that, during any 1 of the 5 preceding operating years of the borrower, not less than 25 percent of the value of the borrower's sales were derived from—

(A) contracts with the Department of Defense or the defense-related activities of the Department of Energy; or

(B) subcontracts in support of defense-related prime contracts.

(e) MAXIMUM AMOUNT OF LOAN PRINCIPAL.—With respect to each borrower, the maximum amount of loan principal for which the Administrator may provide a guarantee under this section during a fiscal year may not exceed $1,250,000.

(f) LOAN GUARANTY RATE.—The maximum allowable guarantee percentage for loans guaranteed under this section may not exceed 80 percent.

(g) FUNDING.—

(1) IN GENERAL.—The funds that have been made available for loan guarantees under the DELTA program and have been transferred from the Department of Defense to the Small Business Administration before the date of the enactment of this Act shall be used for carrying out the DELTA program under this section.

(2) CONTINUED AVAILABILITY OF EXISTING FUNDS.—The funds made available under the second proviso under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE" in Public Law 103-335 (108 Stat. 2613) shall be available until expended—

(A) to cover the costs (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) of loan guarantees issued under this section; and

(B) to cover the reasonable costs of the administration of the loan guarantees.

SEC. 508. VERY SMALL BUSINESS CONCERNS.

Section 304(i) of the Small Business Administration Reauthorization and Amendments Act of 1994 (15 U.S.C. 644 note) is amended by striking "September 30, 1998" and inserting "September 30, 2000".

SEC. 509. TRADE ASSISTANCE PROGRAM FOR SMALL BUSINESS CONCERNS ADVERSELY AFFECTED BY NAFTA.

The Administrator shall coordinate Federal assistance in order to provide counseling to small business concerns adversely affected by the North American Free Trade Agreement.

TITLE VI—HUBZONE PROGRAM

SEC. 601. SHORT TITLE.

This title may be cited as the "HUBZone Act of 1997".

SEC. 602. HISTORICALLY UNDERUTILIZED BUSINESS ZONES.

(a) DEFINITIONS.—Section 3 of the Small Business Act (15 U.S.C. 632) (as amended by section 412 of this Act) is amended by adding at the end the following:

"(p) DEFINITIONS RELATING TO HUBZONES.—In this Act:

"(1) HISTORICALLY UNDERUTILIZED BUSINESS ZONE.—The term 'historically underutilized business zone' means any area located within 1 or more—

"(A) qualified census tracts;

"(B) qualified nonmetropolitan counties; or

"(C) lands within the external boundaries of an Indian reservation.

"(2) HUBZONE.—The term 'HUBZone' means a historically underutilized business zone.

"(3) HUBZONE SMALL BUSINESS CONCERN.—The term 'HUBZone small business concern' means a small business concern—

"(A) that is owned and controlled by 1 or more persons, each of whom is a United States citizen; and

"(B) the principal office of which is located in a HUBZone; or

"(4) QUALIFIED AREAS.—

"(A) QUALIFIED CENSUS TRACT.—The term 'qualified census tract' has the meaning given that term in section 42(d)(5)(C)(ii)(I) of the Internal Revenue Code of 1986.

"(B) QUALIFIED NONMETROPOLITAN COUNTY.—The term 'qualified nonmetropolitan county' means any county—

"(i) that, based on the most recent data available from the Bureau of the Census of the Department of Commerce—

"(I) is not located in a metropolitan statistical area (as defined in section 143(k)(2)(B) of the Internal Revenue Code of 1986); and

"(II) in which the median household income is less than 80 percent of the nonmetropolitan State median household income; or

"(ii) that, based on the most recent data available from the Secretary of Labor, has an unemployment rate that is not less than 140 percent of the statewide average unemployment rate for the State in which the county is located.

"(5) QUALIFIED HUBZONE SMALL BUSINESS CONCERN.—

"(A) IN GENERAL.—A HUBZone small business concern is 'qualified', if—

"(i) the small business concern has certified in writing to the Administrator (or the Administrator otherwise determines, based on information submitted to the Administrator by the small business concern, or based on certification procedures, which

shall be established by the Administration by regulation) that—

"(I) it is a HUBZone small business concern;

"(II) not less than 35 percent of the employees of the small business concern reside in a HUBZone, and the small business concern will attempt to maintain this employment percentage during the performance of any contract awarded to the small business concern on the basis of a preference provided under section 31(b); and

"(III) with respect to any subcontract entered into by the small business concern pursuant to a contract awarded to the small business concern under section 31, the small business concern will ensure that—

"(aa) in the case of a contract for services (except construction), not less than 50 percent of the cost of contract performance incurred for personnel will be expended for its employees or for employees of other HUBZone small business concerns; and

"(bb) in the case of a contract for procurement of supplies (other than procurement from a regular dealer in such supplies), not less than 50 percent of the cost of manufacturing the supplies (not including the cost of materials) will be incurred in connection with the performance of the contract in a HUBZone by 1 or more HUBZone small business concerns; and

"(ii) no certification made or information provided by the small business concern under clause (i) has been, in accordance with the procedures established under section 31(c)(1)—

"(I) successfully challenged by an interested party; or

"(II) otherwise determined by the Administrator to be materially false.

"(B) CHANGE IN PERCENTAGES.—The Administrator may utilize a percentage other than the percentage specified in under item (aa) or (bb) of subparagraph (A)(i)(III), if the Administrator determines that such action is necessary to reflect conventional industry practices among small business concerns that are below the numerical size standard for businesses in that industry category.

"(C) CONSTRUCTION AND OTHER CONTRACTS.—The Administrator shall promulgate final regulations imposing requirements that are similar to those specified in subclauses (IV) and (V) of subparagraph (A)(i) on contracts for general and specialty construction, and on contracts for any other industry category that would not otherwise be subject to those requirements. The percentage applicable to any such requirement shall be determined in accordance with subparagraph (B).

"(D) LIST OF QUALIFIED SMALL BUSINESS CONCERNS.—The Administrator shall establish and maintain a list of qualified HUBZone small business concerns, which list shall, to the extent practicable—

"(i) include the name, address, and type of business with respect to each such small business concern;

"(ii) be updated by the Administrator not less than annually; and

"(iii) be provided upon request to any Federal agency or other entity.".

(b) FEDERAL CONTRACTING.—

(1) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(A) by redesignating section 31 as section 32; and

(B) by inserting after section 30 the following:

"SEC. 31. HUBZONE PROGRAM.

"(a) IN GENERAL.—There is established within the Administration a program to be carried out by the Administrator to provide for Federal contracting assistance to qualified HUBZone small business concerns in accordance with this section.

"(b) ELIGIBLE CONTRACTS.—

"(1) DEFINITIONS.—In this subsection—

"(A) the term 'contracting officer' has the meaning given that term in section 27(f)(5) of the Office of Federal Procurement Policy Act (41 U.S.C. 423(f)(5)); and

"(B) the term 'full and open competition' has the meaning given that term in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

"(2) AUTHORITY OF CONTRACTING OFFICER.—Notwithstanding any other provision of law—

"(A) a contracting officer may award sole source contracts under this section to any qualified HUBZone small business concern, if—

"(i) the qualified HUBZone small business concern is determined to be a responsible contractor with respect to performance of such contract opportunity, and the contracting officer does not have a reasonable expectation that 2 or more qualified HUBZone small business concerns will submit offers for the contracting opportunity;

"(ii) the anticipated award price of the contract (including options) will not exceed—

"(I) $5,000,000, in the case of a contract opportunity assigned a standard industrial classification code for manufacturing; or

"(II) $3,000,000, in the case of all other contract opportunities; and

"(iii) in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price;

"(B) a contract opportunity shall be awarded pursuant to this section on the basis of competition restricted to qualified HUBZone small business concerns if the contracting officer has a reasonable expectation that not less than 2 qualified HUBZone small business concerns will submit offers and that the award can be made at a fair market price; and

"(C) not later than 5 days from the date the Administration is notified of a procurement officer's decision not to award a contract opportunity under this section to a qualified HUBZone small business concern, the Administrator may notify the contracting officer of the intent to appeal the contracting officer's decision, and within 15 days of such date the Administrator may file a written request for reconsideration of the contracting officer's decision with the Secretary of the department or agency head.

"(3) PRICE EVALUATION PREFERENCE IN FULL AND OPEN COMPETITIONS.—In any case in which a contract is to be awarded on the basis of full and open competition, the price offered by a qualified HUBZone small business concern shall be deemed as being lower than the price offered by another offeror (other than another small business concern), if the price offered by the qualified HUBZone small business concern is not more than 10 percent higher than the price offered by the otherwise lowest, responsive, and responsible offeror.

"(4) RELATIONSHIP TO OTHER CONTRACTING PREFERENCES.—A procurement may not be made from a source on the basis of a preference provided in paragraph (2) or (3), if the procurement would otherwise be made from a different source under section 4124 or 4125 of title 18, United States Code, or the Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.).

"(c) ENFORCEMENT; PENALTIES.—

"(1) VERIFICATION OF ELIGIBILITY.—In carrying out this section, the Administrator shall establish procedures relating to—

"(A) the filing, investigation, and disposition by the Administration of any challenge to the eligibility of a small business concern to receive assistance under this section (including a challenge, filed by an interested party, relating to the veracity of a certification made or information provided to the Administration by a small business concern under section 3(p)(5)); and

"(B) verification by the Administrator of the accuracy of any certification made or information provided to the Administration by a small business concern under section 3(p)(5).

"(2) EXAMINATIONS.—The procedures established under paragraph (1) may provide for program examinations (including random program examinations) by the Administrator of any small business concern making a certification or providing information to the Administrator under section 3(p)(5).

"(3) PROVISION OF DATA.—Upon the request of the Administrator, the Secretary of Labor, the Secretary of Housing and Urban Development, and the Secretary of the Interior (or the Assistant Secretary for Indian Affairs), shall promptly provide to the Administrator such information as the Administrator determines to be necessary to carry out this subsection.

"(4) PENALTIES.—In addition to the penalties described in section 16(d), any small business concern that is determined by the Administrator to have misrepresented the status of that concern as a 'HUBZone small business concern' for purposes of this section, shall be subject to—

"(A) section 1001 of title 18, United States Code; and

"(B) sections 3729 through 3733 of title 31, United States Code.".

(2) INITIAL LIMITED APPLICABILITY.—During the period beginning on the date of enactment of this Act and ending on September 30, 2000, section 31 of the Small Business Act (as added by paragraph (1) of this subsection) shall apply only to procurements by—

(A) the Department of Defense;

(B) the Department of Agriculture;

(C) the Department of Health and Human Services;

(D) the Department of Transportation;

(E) the Department of Energy;

(F) the Department of Housing and Urban Development;

(G) the Environmental Protection Agency;

(H) the National Aeronautics and Space Administration;

(I) the General Services Administration; and

(J) the Department of Veterans Affairs.

SEC. 603. TECHNICAL AND CONFORMING AMENDMENTS TO THE SMALL BUSINESS ACT.

(a) PERFORMANCE OF CONTRACTS.—Section 8(d) of the Small Business Act (15 U.S.C. 637(d)) is amended—

(1) in paragraph (1)—

(A) in the first sentence, by striking ",, small business concerns owned and controlled by socially and economically disadvantaged individuals" and inserting ", qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals"; and

(B) in the second sentence, by inserting "qualified HUBZone small business concerns," after "small business concerns,";

(2) in paragraph (3)—

(A) by inserting "qualified HUBZone small business concerns," after "small business concerns," each place that term appears; and

(B) by adding at the end the following:

"(F) In this contract, the term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act.";

(3) in paragraph (4)(E), by striking "small business concerns and" and inserting "small business concerns, qualified HUBZone small business concerns, and";

(4) in paragraph (6), by inserting "qualified HUBZone small business concerns," after "small business concerns," each place that term appears; and

(5) in paragraph (10), by inserting "qualified HUBZone small business concerns," after "small business concerns,".

(b) AWARDS OF CONTRACTS.—Section 15 of the Small Business Act (15 U.S.C. 644) is amended—

(1) in subsection (g)(1)—

(A) by inserting "qualified HUBZone small business concerns," after "small business concerns," each place that term appears;

(B) in the second sentence, by striking "20 percent" and inserting "23 percent"; and

(C) by inserting after the second sentence the following: "The Governmentwide goal for participation by qualified HUBZone small business concerns shall be established at not less than 1 percent of the total value of all prime contract awards for fiscal year 1999, not less than 1.5 percent of the total value of all prime contract awards for fiscal year 2000, not less than 2 percent of the total value of all prime contract awards for fiscal year 2001, not less than 2.5 percent of the total value of all prime contract awards for fiscal year 2002, and not less than 3 percent of the total value of all prime contract awards for fiscal year 2003 and each fiscal year thereafter.";

(2) in subsection (g)(2)—

(A) in the first sentence, by striking ",, by small business concerns owned and controlled by socially and economically disadvantaged individuals" and inserting ", by qualified HUBZone small business concerns, by small business concerns owned and controlled by socially and economically disadvantaged individuals";

(B) in the second sentence, by inserting "qualified HUBZone small business concerns," after "small business concerns,"; and

(C) in the fourth sentence, by striking "by small business concerns owned and controlled by socially and economically disadvantaged individuals and participation by small business concerns owned and controlled by women" and inserting "by qualified HUBZone small business concerns, by small business concerns owned and controlled by socially and economically disadvantaged individuals, and by small business concerns owned and controlled by women"; and

(3) in subsection (h), by inserting "qualified HUBZone small business concerns," after "small business concerns," each place that term appears.

(c) OFFENSES AND PENALTIES.—Section 16 of the Small Business Act (15 U.S.C. 645) is amended—

(1) in subsection (d)(1)—

(A) by inserting ", a 'qualified HUBZone small business concern'," after "'small business concern',"; and

(B) in subparagraph (A), by striking "section 9 or 15" and inserting "section 9, 15, or 31"; and

(2) in subsection (e), by inserting ", a 'HUBZone small business concern'," after "'small business concern',".

SEC. 604. OTHER TECHNICAL AND CONFORMING AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—Section 2323 of title 10, United States Code, is amended—

(1) in subsection (a)(1)(A), by inserting before the semicolon the following: ", and qualified HUBZone small business concerns (as defined in section 3(p) of the Small Business Act)"; and

(2) in subsection (f)(1), by inserting "or as a qualified HUBZone small business concern (as defined in section 3(p) of the Small Business Act)" after "(as described in subsection (a))".

(b) FEDERAL HOME LOAN BANK ACT.—Section 21A(b)(13) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(13)) is amended—

(1) by striking "concerns and small" and inserting "concerns, small"; and

(2) by inserting ", and qualified HUBZone small business concerns (as defined in section 3(p) of the Small Business Act)" after "disadvantaged individuals".

(c) SMALL BUSINESS ECONOMIC POLICY ACT OF 1980.—Section 303(e) of the Small Business Economic Policy Act of 1980 (15 U.S.C. 631b(e)) is amended—

(1) in paragraph (1), by striking "and" at the end;

(2) in paragraph (2), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(3) qualified HUBZone small business concern (as defined in section 3(p) of the Small Business Act).".

(d) SMALL BUSINESS INVESTMENT ACT OF 1958.—Section 411(c)(3)(B) of the Small Business Investment Act of 1958 (15 U.S.C. 694b(c)(3)(B)) is amended by inserting before the semicolon the following: ", or to a qualified HUBZone small business concern (as defined in section 3(p) of the Small Business Act)".

(e) TITLE 31, UNITED STATES CODE.—

(1) CONTRACTS FOR COLLECTION SERVICES.—Section 3718(b) of title 31, United States Code, is amended—

(A) in paragraph (1)(B), by inserting "and law firms that are qualified HUBZone small business concerns (as defined in section 3(p) of the Small Business Act)" after "disadvantaged individuals"; and

(B) in paragraph (3)—

(i) in the first sentence, by inserting before the period "and law firms that are qualified HUBZone small business concerns";

(ii) in subparagraph (A), by striking "and" at the end;

(iii) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following:

"(C) the term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act.".

(2) PAYMENTS TO LOCAL GOVERNMENTS.—Section 6701(f) of title 31, United States Code, is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "and" at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following:

"(C) qualified HUBZone small business concerns."; and

(B) in paragraph (3)—

(i) in subparagraph (A), by striking "and" at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following:

"(C) the term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act (15 U.S.C. 632(o)).".

(3) REGULATIONS.—Section 7505(c) of title 31, United States Code, is amended by striking "small business concerns and" and inserting "small business concerns, qualified HUBZone small business concerns, and".

(f) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—

(1) ENUMERATION OF INCLUDED FUNCTIONS.—Section 6(d) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(d)) is amended—

(A) in paragraph (11), by inserting "qualified HUBZone small business concerns (as defined in section 3(p) of the Small Business Act)," after "small businesses,"; and

(B) in paragraph (12), by inserting "qualified HUBZone small business concerns (as defined in section 3(p) of the Small Business Act (15 U.S.C. 632(o))," after "small businesses,".

(2) PROCUREMENT DATA.—Section 502 of the Women's Business Ownership Act of 1988 (41 U.S.C. 417a) is amended—

(A) in subsection (a)—

(i) in the first sentence, by inserting "the number of qualified HUBZone small business concerns," after "Procurement Policy"; and

(ii) by inserting a comma after "women"; and

(B) in subsection (b), by inserting after "section 204 of this Act" the following: ", and the term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act (15 U.S.C. 632(o))".

(g) ENERGY POLICY ACT OF 1992.—Section 3021 of the Energy Policy Act of 1992 (42 U.S.C. 13556) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking "or";

(B) in paragraph (3), by striking the period and inserting "; or"; and

(C) by adding at the end the following:

"(4) qualified HUBZone small business concerns."; and

(2) in subsection (b), by adding at the end the following:

"(3) The term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act (15 U.S.C. 632(o)).".

(h) TITLE 49, UNITED STATES CODE.—

(1) PROJECT GRANT APPLICATION APPROVAL CONDITIONED ON ASSURANCES ABOUT AIRPORT OPERATION.—Section 47107(e) of title 49, United States Code, is amended—

(A) in paragraph (1), by inserting before the period "or qualified HUBZone small business concerns (as defined in section 3(p) of the Small Business Act)";

(B) in paragraph (4)(B), by inserting before the period "or as a qualified HUBZone small business concern (as defined in section 3(p) of the Small Business Act)"; and

(C) in paragraph (6), by inserting "or a qualified HUBZone small business concern (as defined in section 3(p) of the Small Business Act)" after "disadvantaged individual".

(2) MINORITY AND DISADVANTAGED BUSINESS PARTICIPATION.—Section 47113 of title 49, United States Code, is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking the period at the end and inserting a semicolon;

(ii) in paragraph (2), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following:

"(3) the term 'qualified HUBZone small business concern' has the meaning given that term in section 3(p) of the Small Business Act (15 U.S.C. 632(o))."; and

(B) in subsection (b), by inserting before the period "or qualified HUBZone small business concerns".

SEC. 605. REGULATIONS.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Administrator shall publish in the Federal Register such final regulations as may be necessary to carry out this title and the amendments made by this title.

(b) FEDERAL ACQUISITION REGULATION.—Not later than 180 days after the date on which final regulations are published under subsection (a), the Federal Acquisition Regulatory Council shall amend the Federal Acquisition Regulation in order to ensure consistency between the Federal Acquisition Regulation, this title and the amendments made by this title, and the final regulations published under subsection (a).

SEC. 606. REPORT.

Not later than March 1, 2002, the Administrator shall submit to the Committees a report on the implementation of the HUBZone program established under section 31 of the Small Business Act (as added by section 602(b) of this title) and the degree to which the HUBZone program has resulted in increased employment opportunities and an increased level of investment in HUBZones (as defined in section 3(p) of the Small Business Act (15 U.S.C. 632(p)), as added by section 602(a) of this title).

SEC. 607. AUTHORIZATION OF APPROPRIATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note) (as amended by section 101 of this Act) is amended—

(1) in subsection (c), by adding at the end the following:

"(3) HUBZONE PROGRAM.—There are authorized to be appropriated to the Administration to carry out the program under section 31, $5,000,000 for fiscal year 1998.";

(2) in subsection (d), by adding at the end the following:

"(3) HUBZONE PROGRAM.—There are authorized to be appropriated to the Administration to carry out the program under section 31, $5,000,000 for fiscal year 1999."; and

(3) in subsection (e), by adding at the end the following:

"(3) HUBZONE PROGRAM.—There are authorized to be appropriated to the Administration to carry out the program under section 31, $5,000,000 for fiscal year 2000.".

TITLE VII—SERVICE DISABLED VETERANS

SEC. 701. PURPOSES.

The purposes of this title are—

(1) to foster enhanced entrepreneurship among eligible veterans by providing increased opportunities;

(2) to vigorously promote the legitimate interests of small business concerns owned and controlled by eligible veterans; and

(3) to ensure that those concerns receive fair consideration in purchases made by the Federal Government.

SEC. 702. DEFINITIONS.

In this title:

(1) ELIGIBLE VETERAN.—The term "eligible veteran" means a disabled veteran (as defined in section 4211(3) of title 38, United States Code).

(2) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY ELIGIBLE VETERANS.—The term "small business concern owned and controlled by eligible veterans" means a small business concern (as defined in section 3 of the Small Business Act)—

(A) that is at least 51 percent owned by 1 or more eligible veterans, or in the case of a publicly owned business, at least 51 percent of the stock of which is owned by 1 or more eligible veterans; and

(B) whose management and daily business operations are controlled by eligible veterans.

SEC. 703. REPORT BY SMALL BUSINESS ADMINISTRATION.

(a) STUDY AND REPORT.—

(1) IN GENERAL.—Not later than 9 months after the date of enactment of this Act, the Administrator shall conduct a comprehensive study and submit to the Committees a final report containing findings and recommendations of the Administrator on—

(A) the needs of small business concerns owned and controlled by eligible veterans;

(B) the availability and utilization of Administration programs by small business concerns owned and controlled by eligible veterans;

(C) the percentage, and dollar value, of Federal contracts awarded to small business concerns owned and controlled by eligible veterans in the preceding 5 fiscal years; and

(D) methods to improve Administration and other agency programs to serve the needs of small business concerns owned and controlled by eligible veterans.

(2) CONTENTS.—The report under paragraph (1) shall include recommendations to Congress concerning the need for legislation and recommendations to the Office of Management and Budget, relevant offices within the Administration, and the Department of Veterans Affairs.

(b) CONDUCT OF STUDY.—In carrying out subsection (a), the Administrator—

(1) may conduct surveys of small business concerns owned and controlled by eligible veterans and service disabled veterans, including those who have sought financial assistance or other services from the Administration;

(2) shall consult with the appropriate committees of Congress, relevant groups and organizations in the nonprofit sector, and Federal or State government agencies; and

(3) shall have access to any information within other Federal agencies that pertains to such veterans and their small businesses, unless such access is specifically prohibited by law.

SEC. 704. INFORMATION COLLECTION.

After the date of issuance of the report required by section 703(a), the Secretary of Veterans Affairs shall, in consultation with the Assistant Secretary for Veterans' Employment and Training and the Administrator, engage in efforts each fiscal year to identify small business concerns owned and controlled by eligible veterans in the United States. The Secretary shall inform each small business concern identified under this section that information on Federal procurement is available from the Administrator.

SEC. 705. STATE OF SMALL BUSINESS REPORT.

Section 303(b) of the Small Business Economic Policy Act of 1980 (15 U.S.C. 631b(b)) is amended by striking "and female-owned businesses" and inserting ", female-owned, and veteran-owned businesses".

SEC. 706. LOANS TO VETERANS.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by inserting after paragraph (7) the following:

"(8) The Administration may make loans under this subsection to small business concerns owned and controlled by disabled veterans (as defined in section 4211(3) of title 38, United States Code).".

SEC. 707. ENTREPRENEURIAL TRAINING, COUNSELING, AND MANAGEMENT ASSISTANCE.

The Administrator shall take such actions as may be necessary to ensure that small business concerns owned and controlled by eligible veterans have access to programs established under the Small Business Act that provide entrepreneurial training, business development assistance, counseling, and management assistance to small business concerns, including, among others, the Small Business Development Center program and the Service Corps of Retired Executives (SCORE) program.

SEC. 708. GRANTS FOR ELIGIBLE VETERANS' OUTREACH PROGRAMS.

Section 8(b) of the Small Business Act (15 U.S.C. 637(b)) is amended—

(1) in paragraph (15), by striking "and" at the end;

(2) in the first paragraph designated as paragraph (16), by striking the period at the end and inserting "; and"; and

(3) by striking the second paragraph designated as paragraph (16) and inserting the following:

"(17) to make grants to, and enter into contracts and cooperative agreements with, educational institutions, private businesses, veterans' nonprofit community-based organizations, and Federal, State, and local departments and agencies for the establishment and implementation of outreach programs for disabled veterans (as defined in section 4211(3) of title 38, United States Code).".

SEC. 709. OUTREACH FOR ELIGIBLE VETERANS.

The Administrator, the Secretary of Veterans Affairs, and the Assistant Secretary of Labor for Veterans' Employment and Training, shall develop and implement a program of comprehensive outreach to assist eligible veterans, which program shall include business training and management assistance, employment and relocation counseling, and dissemination of information on veterans' benefits and veterans' entitlements.

THE FAA RESEARCH, ENGINEERING, AND DEVELOPMENT AUTHORIZATION ACT OF 1997

GORTON (AND OTHERS) AMENDMENT NO. 1544

(Ordered to lie on the table.)

Mr. GORTON (for himself, Mr. MCCAIN, Mr. HOLLINGS, and Mr. FORD) submitted an amendment intended to be proposed by them to the bill (H.R. 1271) to authorize the Federal Aviation Administration's research, engineering, and development programs for fiscal years 1998 through 2000, and for other purposes; as follows:

Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "FAA Research, Engineering, and Development Authorization Act of 1997".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 48102(a) of title 49, United States Code, is amended—

(1) by striking "and" at the end of paragraph (2)(J);

(2) by striking the period at the end of paragraph (3)(J) and inserting in lieu thereof a semicolon; and

(3) by adding at the end the following:

"(4) for fiscal year 1998, $229,673,000, including—

"(A) $16,379,000 for system development and infrastructure projects and activities;

"(B) $27,089,000 for capacity and air traffic management technology projects and activities;

"(C) $23,362,000 for communications, navigation, and surveillance projects and activities;

"(D) $16,600,000 for weather projects and activities;

"(E) $7,854,000 for airport technology projects and activities;

"(F) $49,202,000 for aircraft safety technology projects and activities;

"(G) $56,045,000 for system security technology projects and activities;

"(H) $27,137,000 for human factors and aviation medicine projects and activities;

"(I) $2,891,000 for environment and energy projects and activities; and

"(J) $3,114,000 for innovative/cooperative research projects and activities.".

SEC. 3. RESEARCH GRANTS PROGRAM INVOLVING UNDERGRADUATE STUDENTS.

(a) PROGRAM.—Section 48102 of title 49, United States Code, is amended by adding at the end the following new subsection:

"(h) RESEARCH GRANTS PROGRAM INVOLVING UNDERGRADUATE STUDENTS.—

"(1) ESTABLISHMENT.—The Administrator of the Federal Aviation Administration shall establish a program to utilize undergraduate and technical colleges in research on subjects of relevance to the Federal Aviation Administration. Grants may be awarded under this subsection for—

"(A) research projects to be carried out at primarily undergraduate institutions and technical colleges;

"(B) research projects that combine research at primarily undergraduate institutions and technical colleges with other research supported by the Federal Aviation Administration; or

"(C) research on future training requirements on projected changes in regulatory requirements for aircraft maintenance and power plant licensees.

"(2) NOTICE OF CRITERIA.—Within 6 months after the date of the enactment of the FAA Research, Engineering, and Development Authorization Act of 1997, the Administrator of the Federal Aviation Administration shall establish and publish in the Federal Register criteria for the submittal of proposals for a grant under this subsection, and for the awarding of such grants.

"(3) PRINCIPAL CRITERIA.—The principal criteria for the awarding of grants under this subsection shall be—

"(A) the relevance of the proposed research to technical research needs identified by the Federal Aviation Administration;

"(B) the scientific and technical merit of the proposed research; and

"(C) the potential for participation by undergraduate students in the proposed research.

"(4) COMPETITIVE, MERIT-BASED EVALUATION.—Grants shall be awarded under this subsection on the basis of evaluation of proposals through a competitive, merit-based process.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 48102(a) of title 49, United States Code, as amended by this Act, is further amended by inserting ", of which $750,000 shall be for carrying out the grant program established under subsection (h)" after "projects and activities" in paragraph (4)(J).

SEC. 4. LIMITATION ON APPROPRIATIONS.

No sums are authorized to be appropriated to the Administrator of the Federal Aviation Administration for fiscal year 1998 for the Federal Aviation Administration Research, Engineering, and Development account, unless such sums are specifically authorized to be appropriated by the amendments made by this Act.

SEC. 5. NOTICE OF REPROGRAMMING.

If any funds authorized by the amendments made by this Act are subject to a reprogramming action that requires notice to be provided to the Appropriations Committees of the House of Representatives and the Senate, notice of such action shall concurrently be provided to the Committees on Science and Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

SEC. 6. SENSE OF CONGRESS ON THE YEAR 2000 PROBLEM.

With the year 2000 fast approaching, it is the sense of Congress that the Federal Aviation Administration should—

(1) give high priority to correcting all 2-digit date-related problems in its computer systems to ensure that those systems continue to operate effectively in the year 2000 and beyond;

(2) assess immediately the extent of the risk to the operations of the Federal Aviation Administration posed by the problems referred to in paragraph (1), and plan and budget for achieving Year 2000 compliance for all of its mission-critical systems; and

(3) develop contingency plans for those systems that the Federal Aviation Administration is unable to correct in time.

Mr. MCCAIN. Mr. President, I rise to join Senator GORTON, Senator HOLLINGS, and Senator FORD, in submitting an amendment to the bill (H.R. 1271) the Federal Aviation Administration Research, Engineering, and Development Authorization Act of 1997. This bill would authorize the Federal Aviation Administration [FAA] Research, Engineering, and Development [RE&D] program. The program funds projects to improve facilities, equipment, techniques, and procedures so that our Nation's aviation system can operate safely and efficiently.

The FAA's research and development activities help to provide the advancements and innovations that are needed to keep the U.S. aviation system the best in the world. Our Nation's ability to have a strong aviation-related research and development program directly impacts our success in the global market and our standard of living. Investment in the FAA RE&D program will fund projects to determine how limited airport and airspace capacity can meet ever increasing demands, aviation security can be improved, and flight safety concerns can be addressed.

The FAA has divided its RE&D program into nine key areas. These include capacity and air traffic management technology; communications, navigation and surveillance systems; weather; airport technology; aircraft safety technology; system security technology; human factors and aviation medicine; environment and energy; and innovative/cooperative research. The FAA funds various projects in these nine areas.

Ongoing or planned FAA RE&D projects will provide important benefits for the U.S. aviation system and its users. The aircraft safety technology area, for example, includes continued research on improving passenger evacuation in the event of an aircraft accident. The system security technology area will include efforts to develop more effective explosives detection technologies. In addition, several recommendations of the White House Commission on Aviation Safety and Security will involve the FAA RE&D program, including modernizing the Nation's air traffic control system.

I strongly support the FAA's efforts under the RE&D program to work in partnership with public and private entities. These partnerships enable the FAA to gain expertise in specialized areas of technology, and to leverage limited Federal funds. The FAA, for example, now has more than 250 agreements for research and development partnerships with research organizations, foreign governments, and industry consortia. In addition, the FAA has established several university-based research centers.

This bill also asks the FAA to address problems that the Agency may face if the software in any of its various computer systems malfunctions when they hit the year 2000. In particular, we cannot afford to have air traffic control systems affected by this problem. I understand that the FAA is behind schedule in determining which of its systems are affected by the Year 2000 problem. The time to make this determination, and then make necessary software modifications, is growing short. That is why the bill includes a Sense of the Congress that the FAA should, among other things, develop contingency plans for those systems that the Agency is unable to correct in time.

The FAA RE&D program is a key component of the Agency's total ongoing efforts to provide the most safe and efficient aviation system possible. I would strongly encourage my colleagues to join me in supporting this bill to authorize the program.

Mr. GORTON. Mr. President, I am pleased to join with my distinguished colleagues, Senator MCCAIN, Senator HOLLINGS, and Senator FORD, in submitting an amendment to the bill (H.R. 1271) the Federal Aviation Administration Research, Engineering, and Development Authorization Act of 1997. The bill authorizes the Federal Aviation Administration [FAA] Research, Engineering, and Development [RE&D] account for fiscal year 1998. The FAA RE&D account finances projects to improve the safety, security, capacity, and efficiency of the U.S. aviation system. The authorization for the RE&D account expired at the end of September.

Recognizing the key role that research and development efforts play in improving our Nation's aviation system, the Congress over time has strengthened the FAA RE&D program. In 1982, the Congress determined that a

comprehensive research and development program was necessary to help ensure that the FAA could maintain a safe and efficient air traffic system. In 1988, the Congress established the FAA RE&D Advisory Board to help the FAA set research priorities. After the terrorist bombing of Pan Am Flight 103, the Congress approved the Aviation Safety Improvement Act of 1990, which required the FAA to support activities to accelerate the research and development of new technologies to protect against terrorism.

This bill would authorize the FAA to finance important research and development efforts. These efforts include developing new fire-resistant insulation materials for use on aircraft. Fires are a major threat to aircraft, and this new insulation is intended to give passengers additional time to evacuate if an accident occurs. The FAA also has ongoing research to develop procedures for enhancing terminal area capacity and safety.

It is noteworthy that the FAA works with other Federal agencies and the private sector to leverage RE&D funds. The FAA, for example, has cooperative arrangements with the National Aeronautics and Space Administration and the Department of Defense. The FAA is also currently working with more than 80 private industry partners on 15 major technology development projects. Working with private industry, for example, the FAA recently completed development of a new concrete foam material that will safely stop a large airliner that overshoots a runway because of problems during take off or landing. In addition to leveraging Federal funds, such partnerships facilitate the dissemination of research results to the private sector where they can be used to produce commercial products that will benefit the users of the U.S. aviation system.

The bill includes a Sense of the Congress concerning the so-called Year 2000 problem as it relates to the FAA. Simply stated, the problem stems from the inability of some software to recognize the change from the year 1999 to the year 2000. In these cases, software code must be rewritten to prevent computer systems from crashing. Because the FAA has many systems, including various air traffic control systems, the bill states that the FAA should assess immediately the extent to which its systems will be affected, and to develop a plan and budget to make needed corrections.

Funding appropriate research and development projects today can help to achieve a safer and more efficient air transportation system tomorrow. The bill that I am introducing authorizes this funding. I urge my colleagues to join me in supporting it.

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Senate Committee on Indian Affairs' scheduled markup on H.R. 976, the Mississippi Sioux Tribe Judgment Fund Distribution Act of 1997 on Monday, November 3, 1997, at 10 a.m. in room 485 of the Russell Senate Office Building has been rescheduled for Tuesday, November 4, 1997, at 9:15 a.m.

Those wishing additional information should contact the Committee on Indian Affairs at 224–2251.

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will meet at 9:15 a.m. on Tuesday, November 4, 1997, in room 485 of the Russell Senate Building to mark up the following: H.R. 976, the Mississippi Sioux Tribe Judgment Fund Distribution Act of 1997; and the nomination of B. Kevin Gover, to be Assistant Secretary for Indian Affairs, Department of the Interior.

Those wishing additional information should contact the Committee on Indian Affairs at 224–2251.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the full Committee on Energy and Natural Resources to consider the nominations of Curtis L. Hebert and Linda Key Breathitt to be members of the Federal Energy Regulatory Commission.

The hearing will take place Tuesday, November 4, 1997 at 10 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

For further information, please call Allyson Kennett at (202) 224–5070.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. WARNER. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR–301, Russell Senate Office Building, on Wednesday, November 5, 1997, at 9:30 a.m. to conduct a business meeting to vote on matters pending before the committee, including the use of laptop computers on the Senate floor; release of documents to Harry Connick, district attorney of New Orleans; and, reimbursement of expenses in connection with the contested Senate election in Louisiana.

For further information concerning this hearing, please contact Ed Edens of the Rules Committee staff at 224–6678.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, October 31, 1997, at 10 a.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Friday, October 31, 1997, at 9:30 a.m., to hold a hearing entitled "Oversight Review of the Treasury Department's Inspector General."

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CHEMISTRY WEEK

• Mr. SPECTER. Mr. President, I would like to take this opportunity to recognize the Philadelphia section of the American Chemical Society, whose 5,000 members, along with their nearly 200 sister sections in all 50 States, the District of Columbia, and Puerto Rico, have set aside November 2 through November 8, 1997, for a national celebration directing our attention to the many contributions of their scientific discipline.

The science of chemistry gives us the power to understand and to use the elemental building blocks of all material things. The science of chemistry also provides the fundamental understanding required to deal with many of society's needs, including several that determined our quality of life and our economic strength. Chemists and chemical engineers use their powerful science in helping feed the world's population, tapping new energy sources, clothing and housing humanity, providing renewable substitutes for dwindling or scarce materials, improving health and conquering disease, and monitoring and protecting our environment, and strengthening our national security.

As the American Chemical Society works to enhance public awareness about the crucial role that chemistry plays in everyday life during National Chemistry Week, I hope that my colleagues will take this occasion to recognize the chemists and chemical engineers in their States who have dedicated themselves to improving the quality of life for all.•

TRIBUTE TO HELENE S. SMITH

• Mrs. BOXER. Mr. President, on June 5, 1997, a remarkable woman and superb scientist, Dr. Helene Smith, died at her home in California.

Dr. Smith's scholarly activities and indefatigable personality influenced

the scientific community well beyond San Francisco's California Pacific Medical Center, where she directed the Geraldine Brush Cancer Research Institute.

There is great sadness as well as irony associated with Dr. Smith's death from breast cancer, a disease she devoted much of her life to studying.

Her friend and colleague, Dr. Ann Thor, professor of pathology and surgery at the Northwestern University School of Medicine, has written a very moving tribute which will be published in the Journal of Mammary Gland Biology and Neoplasia (Volume 3, Issue 1, in press).

I am grateful to Dr. Thor, Dr. Peggy Neville, editor of the Journal, and to Plenum Publishing Corp. for permission to use this tribute, and I ask that it be printed in the RECORD.

The tribute follows:

HELENE SMITH, PH.D.: A MEMORIAL

(By Ann Thor, M.D.)

Dr. Helene Smith, who has contributed greatly to our understanding of and research devoted to breast cancer, died recently of that disease. Dr. Smith was a leader in the scientific community—publishing extensively in the fields of breast cancer cell biology and molecular genetics. Helene had a uniquely personal battle with breast cancer, as it claimed several family members including a sister. Her enthusiasm and involvement in breast cancer research was unique. Those who knew her well understood that her motivations went beyond the norm and closely approximated a religious zeal, even before her own diagnosis. As noted by Dr. Edison Liu, Director of the Division of Clinical Sciences of the National Cancer Institute of the National Institutes of Health, "Her sense of conviction to the conquest of breast cancer made her one of the most compelling advocates. This sense was contagious and invigorated her colleagues to overcome petty barriers to interaction so that we may act as a unified force in breast cancer research."

As both patient and experienced researcher, she developed insights regarding the positive and negative aspects of our current health care system, traditional medical approaches and the infrastructure which supports breast cancer research in this country. Helene actively promoted interactions between clinicians of all specialties, basic researchers and patient advocates to foster new approaches where traditional measures have failed. She served tirelessly as the principal investigator of a program project to develop new molecular and cellular markers for predicting breast cancer prognosis, and as co-principle investigator of a Special Program of Research Excellence (SPORE) to develop novel approaches to breast cancer therapeutics. Dr. Smith was Chair of the Integration Panel of the Department of Defense Breast Cancer Research Program and served as well on the National Advisory Board of the Susan G. Komen Foundation. Helene received many honors for her accomplishments in traditional breast cancer science. In 1995 she was honored by the Komen Foundation with the prestigious Brinker International Award for Breast Cancer Research.

Dr. Smith was a pioneer supporter of breast cancer patient advocates and encouraged their participation in research programs. According to one advocate, Deborah Collyar, "When I first met her, she was very much against advocates getting involved in science . . . however, she began to see how important it was to start bringing in the patient perspective. Helene became one of the best patient advocates I've ever had the pleasure of knowing." In this unusual role, she worked tirelessly with patient groups to explain the science and serve as a translator of traditional medicine.

Helene believed that her own role in research was best carried out at a small institute rather than at a large university. She used the metaphor that her institute (the Geraldine Brush Cancer Research Institute of California Pacific Medical Center, San Francisco) was a canoe and that universities were ocean liners. According to her husband, Allan Smith M.D., she believed that a canoe was best to explore new territory and negotiate sudden turns (e.g., new research directions) and ocean liners were better at conventional work (e.g., major research protocols). She believed that both of these approaches were necessary for the advancement of science, but novel research was more fun.

Helene's immersion into breast cancer from all aspects of her professional and personal life allowed her to develop novel ideas regarding cancer therapeutics as well. Spiritual and physical aspects of the disease overlapped, driving a renewed interest in cancer immunology, epigenetic factors and complementary medicine. Some transgressions away from traditional science were not always favorably considered by more traditional scientific colleagues, but Helene persisted and sought to apply strict scientific methods and study designs to test complementary approaches. As noted by her clinician Debu Tripathy, M.D., "The popular field of alternative and complementary medicine, ranging from herbal medicine to mind-body interaction, was of great interest to Helene, although she adopted a rigorous scientific approach in order to evaluate them." As an outgrowth of those interests, she helped found the California Pacific Medical Center's Institute for Health and Healing as well as the Research Institute's new division, the Complementary Medicine Research Institute, which encompasses clinical and scientific laboratory based programs to study alternative medical approaches. "Helene envisioned a practice of science and medicine without boundaries," according to Dr. Tripathy.

Dr. Smith graduated BS Cum Laude from the University of Pennsylvania in 1962 and received a Doctorate in Microbiology from the University of Pennsylvania in 1967. A postdoctoral research position at Princeton University in Professor Arthur B. Pardee's laboratory from 1967–69 laid the ground work for her interests in cell culture and cellular transformation. Her first breast cancer research manuscript was published in 1973. This was followed by decades of important citations—resulting in over 100 publications. One of her last manuscripts published by *Science*, "Loss of Heterozygosity in Normal Tissue Adjacent to Breast Carcinomas" (Vol. 274, 1996), described genetic losses in morphologically normal lobular epithelium adjacent to breast cancers. These findings support her "stochastic model of breast carcinogenesis", a multivariate model of acquired genetic change. Helene believed that molecular alterations might someday be used to predict breast carcinogenesis or the biology of breast cancers in individual women. Her findings also suggest that our current methods of tissue evaluation (histopathologic evaluation) may be inadequate as the science is further developed. Helene sought to identify new intermediate endpoints and understand early changes in the process of breast carcinogenesis. She felt that a combination of traditional pathology and molecular diagnostics would be more informative for individual patients than a categorical system based on histopathology alone.

As a result of her leadership in science, ability to cross over disciplines, devotion to translational advancements, mentoring and recruitment capacities, ability to conceptualize novel ideas and service in numerous administrative roles, she has forever changed traditional approaches to breast cancer science. In addition to fostering research in many areas, Helene was particularly important as a mentor for young scientists—particularly women. These contributions, in addition to her easy smile and invigorating personality will be sorely missed and not easily forgotten.●

TRIBUTE TO "JEOPARDY"

● Mr. JEFFORDS. Mr. President, I rise today to pay tribute to "Jeopardy" and its efforts in educational outreach. The show has been successful in providing more than just entertainment for its audience. In over 3,000 episodes spanning 14 years, "Jeopardy" has challenged viewers to expand their horizons and learn more about some fundamental fields of study.

"Jeopardy" seeks and demands attentive participation. Accordingly, this forum has often been used by schools throughout the country to improve students' performance in a wide array of subjects.

The show will be taping in 2 weeks worth of episodes from Washington, DC, at Constitution Hall. The first week will pay tribute to the educational accomplishments of our Nation's best and brightest children. The second week will spotlight members of the political community to raise more than $150,000 for worthy causes and stress the value of education.

It seems clear that "Jeopardy" realizes the significance of learning for people both young and old. I salute "Jeopardy" for reaching beyond the television screen to provide quality programming with truly profound educational benefits for every community across the Nation.●

TITLE VII OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL

● Mr. GRAHAM. Mr. President, I submit the following clarification to the fiscal year 1998 Interior and related agencies appropriations bill on behalf of myself and Senator MACK. I ask that it be printed in the RECORD.

The clarification follows:

MACK-GRAHAM STATEMENT CONCERNING TITLE VII OF THE FISCAL YEAR 1998 INTERIOR APPROPRIATIONS BILL

Title VII of the FY'98 Interior Appropriations Bill approves and implements

a settlement between the Miccosukee Tribe of Indians of Florida and the Florida Department of Transportation. It should be understood that the lawsuit referred to in section 702(2) and elsewhere has already been dismissed. However, since the lawsuit formed the underlaying basis of the dispute and could be revived absent this settlement, the settlement and this legislation refers to the lawsuit and settles all claims based on the underlying facts of the lawsuit. It should also be understood that the concurrence of the Board of Trustees of the International Improvements Trust Fund referred to in section 702(7)(B)(ii) relates only to the transfer of land to which the Board holds title. Insofar as the settlement provides for such land transfers wherein the Board has certain responsibilities, the Board concurs. The Board has taken no position with respect to other parts of the settlement regarding which the Board has no responsibility and which are instead within the authority and responsibility of the Florida Department of Transportation, which has executed the settlement.•

HONORING SENIOR JUDGE ABRAHAM LINCOLN MAROVITZ

• Ms. MOSELEY-BRAUN. Mr. President, it is my great pleasure to join the celebration of the 75th anniversary of American ORT, and to congratulate Senior Federal Judge Abraham Lincoln Marovitz on being American ORT's Diamond Jubilee Award winner.

Each year, American ORT provides high-technology vocational training and education to over 6,000 students in cities across the country, including Chicago at the Zarem/Golde ORT Technical Institute. Worldwide, ORT teaches comprehensive technical skills to over 250,000 students in 60 countries. As a private, nonsectarian, nonpartisan, nonprofit organization, ORT has provided hope and opportunity to hundreds of thousands of people through high quality vocational education.

The stunning success of American ORT during the past 75 years certainly would not have been possible without the presence of its brightest star, Senior Federal Court Judge Abraham Lincoln Marovitz. The contributions made by Judge Marovitz to American ORT, the State of Illinois, and our Nation are, quite simply, without peer.

Judge Marovitz overcame humble beginnings amidst the poverty of Chicago's west side to lead a remarkable life of public service. After graduating from Chicago-Kent College of Law at the age of 19 in 1927, Judge Marovitz went on to serve as an Assistant Illinois states attorney and an Illinois State senator. In 1943, at the age of 38, Judge Marovitz waived his senatorial deferment and enlisted as a private in the U.S. Marine Corps. After seeing combat and being wounded in the Pacific Theater, he retired from the Marines with the rank of sergeant major.

In 1950, Abraham Lincoln Marovitz was elected judge of the Superior Court of Illinois. From 1958 to 1959, he served as the chief justice of the Criminal Court of Cook County. Judge Marovitz received national recognition for his jurisprudence in 1963 when President Kennedy appointed him as the U.S. District Court Judge for the Northern District of Illinois. In 1975, Judge Marovitz assumed senior status as a U.S. District Court Judge, a position in which he continues to serve the people of Illinois and the Nation.

Judge Marovitz has not been content to focus solely on his career. Instead, he has freely given both his time and talents to a wide range of community organizations. In addition to his association with American ORT, he has served groups including the Jewish War Veterans of the United States, the National Conference of State Court Trial Judges, and the American Legion. Moreover, Judge Marovitz served as chairman of the board of the Lincoln National Bank for 17 years, was a board member and trustee of Chicago-Kent College of Law and the Chicago Medical School, the Chicago Bar Association, and numerous other civic, religious, and veterans organizations.

For his voluntarism, Judge Marovitz has been honored by organizations such as the Variety Club, the Daughters of the American Revolution, the Anti-Defamation League, the United Neighborhood Organization of Chicago, the Jesse Owens Foundation, the Chicago City Council, the State of Illinois, and the State of Israel. These awards are but a few of the many testaments to his unyielding devotion to and enduring love for his fellow man and woman.

For all his civic commitments, Judge Marovitz has never lost his common touch and regard for individuals no matter their station in life. Specifically, I am personally ever indebted to him for the many kindnesses he showed me years ago, when I was a young assistant U.S. attorney.

Without a doubt, the city of Chicago, the State of Illinois, and our country have benefited greatly from the many selfless contributions that Judge Marovitz has made over the years. He is not only a Chicago treasure, but a national treasure as well. I take great pride in congratulating him on his American ORT Diamond Jubilee Award. It is also my distinct honor to celebrate 75 wonderful years of ORT in the United States.•

UNANIMOUS-CONSENT AGREEMENT—DEPARTMENT OF DEFENSE AUTHORIZATION CONFERENCE REPORT

Mr. NICKLES. Mr. President, I ask unanimous consent that, notwithstanding rule XXII, that on Thursday, November 6th, at 10 a.m., the Senate proceed to the DOD authorization conference report, and the report be considered as having been read, and there be 4 hours equally divided in the usual form, and following the conclusion or yielding back of time, the Senate proceed to vote on adoption of the conference report, without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—PROVIDING FOR CORRECTIONS IN THE ENROLLMENT OF H.R. 1119

Mr. NICKLES. Mr. President, I also ask unanimous consent that following the adoption of the conference report, Senator DOMENICI be recognized to offer and the Senate proceed to a concurrent resolution making technical corrections in the enrollment of the DOD authorization conference report regarding section 3165 of the bill and to address an issue with respect to correcting several mistakes and that no amendments be in order and that the concurrent resolution be agreed to, and the motion to reconsider be laid upon the table, all without further action or debate, and the text of the resolution be printed in the RECORD following this request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution is as follows:

S. CON. RES.—

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of H.R. 1119 to authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

In section 3165—

(1) in subsection (b)(1), strike out "under the jurisdiction" and all that follows through "Los Alamos National Laboratory" and insert in lieu thereof "under the administrative jurisdiction of the Secretary at or in the vicinity of Los Alamos National Laboratory"; and

(2) in subsection (e), strike out ", the Secretary of the Interior" and all that follows through the end and insert in lieu thereof "but not later than 90 days after the submittal of the report under subsection (d)(1)(C), the County and the Pueblo shall submit to the Secretary an agreement between the County and the Pueblo which allocates between the County and the Pueblo the parcels identified for conveyance or transfer under subsection (b).".

UNANIMOUS-CONSENT AGREEMENT—NOMINATION OF CHARLES ROSSOTTI

Mr. NICKLES. Mr. President, as in executive session, I ask unanimous

consent that on Monday, November 3, at 2:45 p.m., the Senate proceed to executive session for the consideration of calendar No. 351, the nomination of Charles Rossotti, to be Commissioner of the Internal Revenue. I further ask unanimous consent there be 3 hours of debate equally divided as follows: Senator LOTT or his designee, 60 minutes; Senator MOYNIHAN, 90 minutes; and Senator ROTH, 30 minutes. I further ask unanimous consent that following the conclusion or yielding back of the time, the Senate proceed to a vote on the confirmation of Mr. Rossotti, and that following that vote the motion to reconsider be laid upon the table, and the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. NICKLES. Mr. President, in executive session, I ask unanimous consent that the Senate proceed to the following nomination on the Executive Calendar, No. 360.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I finally ask unanimous consent that the nomination be confirmed, that the motion to reconsider be laid upon the table, any statements relating to the nomination appear at the appropriate place in the RECORD, and the President be immediately notified of the Senate's action.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination considered and confirmed is as follows:

ARMY

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Jack P. Nix, Jr., 1547.

TREATIES

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to consider the following treaties on today's Executive Calendar, Executive Calendar Nos. 8, 9, 10, 11, 12, 13, 14, and 15; I further ask unanimous consent that the treaties be considered as having passed through their various parliamentary stages up to and including the presentation of the resolutions of ratification; that all committee provisos, reservations, understandings and declarations be considered agreed to; that any statements in regard to these treaties be inserted in the CONGRESSIONAL RECORD as if read; and that the Senate take one vote on the resolutions of ratification to be considered as separate votes; further, that when the resolutions of ratification are voted upon the motion to reconsider be laid upon the table; the President then be notified of the Senate's action and that following the disposition of the treaties, the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered. The treaties will be considered to have passed through their various parliamentary stages up to and including the presentation of the resolutions of ratification.

The resolutions of ratification are as follows:

TAXATION AGREEMENT WITH TURKEY

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Agreement between the Government of the United States of America and the Government of the Republic of Turkey for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, together with a related Protocol, signed at Washington on March 28, 1996 (Treaty Doc. 104–30) subject to the declaration of subsection (a), and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAXATION CONVENTION WITH AUSTRIA

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the United States of America and the Republic of Austria for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Vienna on May 31, 1996 (Treaty Doc. 104–31) subject to the understanding of subsection (a), the declarations of subsection (b), and the proviso of subsection (c).

(a) UNDERSTANDING.—The Senate's advice and consent is subject to the following understanding, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) OECD COMMENTARY.—Provisions of the Convention that correspond to provisions of the Organization for Economic Cooperation and Development (OECD) Model Tax Convention on Income and on Capital generally shall be expected to have the same meaning as expressed in the OECD Commentary thereon. The United States understands, however, that the foregoing will not apply with respect to any reservations or observations it enters to the OECD Model or its Commentary and that it may enter such a reservation or observation at any time.

(b) DECLARATIONS.—The Senate's advice and consent is subject to the following two declarations, which shall be binding on the President:

(1) REAL ESTATE INVESTMENT TRUSTS.—The United States shall use its best efforts to negotiate with the Republic of Austria a protocol amending the Convention to provide for the application of subparagraph (b) of paragraph 2 of Article 10 of the Convention to dividends paid by a Real Estate Investment Trust in cases where (i) the beneficial owner of the dividends beneficially holds an interest of 5 percent or less in each class of the stock of the Real Estate Investment Trust and the dividends are paid with respect to a class of stock of the Real Estate Investment Trust that is publicly traded or (ii) the beneficial owner of the dividends beneficially holds an interest of 10 percent or less in the Real Estate Investment Trust and the Real Estate Investment Trust is diversified.

(2) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAXATION CONVENTION WITH LUXEMBOURG

Resolved, (two-thirds of the Senators concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of the Grand Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, signed at Luxembourg on April 3, 1996 (Treaty Doc. 104–33), subject to the reservation of subsection (a), the declarations of subsection (b), and the proviso of subsection (c).

(a) RESERVATION.—The Senate's advice and consent is subject to the following reservation, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) REAL ESTATE INVESTMENT TRUSTS.—Subparagraph (a)(ii) of paragraph 2 of Article 10 of the Convention shall apply to dividends paid by a Real Estate Investment Trust in cases where (i) the beneficial owner of the dividends beneficially holds an interest of 5 percent or less in each class of the stock of the Real Estate Investment Trust and the dividends are paid with respect to a class of stock of the Real Estate Investment Trust that is publicly traded, (ii) the beneficial owner of the dividends beneficially holds an interest of 10 percent or less in the Real Estate Investment Trust and the Real Estate

Investment Trust is diversified, or (iii) the beneficial owner of the dividends beneficially held an interest in the Real Estate Investment Trust as of June 30, 1997, the dividends are paid with respect to such interest, and the Real Estate Investment Trust is diversified (provided that such provision shall be not apply to dividends paid after December 31, 1999 unless the Real Estate Investment Trust is publicly traded on December 31, 1999 and thereafter).

(b) DECLARATIONS.—The Senate's advice and consent is subject to the following two declarations, which shall be binding on the President.

(1) SIMULTANEOUS EXCHANGE.—The United States shall not exchange the instruments of ratification of this Convention with the Government of the Grand Duchy of Luxembourg until such time as it exchanges the instruments of ratification with respect to the Treaty Between the Government of the United States of America and the Government of the Grand Duchy of Luxembourg on Mutual Legal Assistance in Criminal Matters, signed at Washington on March 13, 1997 (Treaty Doc. 105–11).

(2) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(c) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President.

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAXATION CONVENTION WITH THAILAND

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of the Kingdom of Thailand for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Bangkok, November 26, 1996 (Treaty Doc. 105–2), subject to the declaration of subsection (a); and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAXATION CONVENTION WITH SWITZERLAND

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention Between the United States of America and the Swiss Confederation for the Avoidance of Double Taxation with Respect to Taxes on Income, signed at Washington, October 2, 1996 together with a Protocol to the Convention (Treaty Doc. 105–8), subject to the declarations of subsection (a), and the proviso of subsection (b).

(a) DECLARATIONS.—The Senate's advice and consent is subject to the following two declarations, which shall be binding on the President:

(1) REAL ESTATE INVESTMENT TRUSTS.—The United States shall use its best efforts to negotiate with the Swiss Confederation a protocol amending the Convention to provide for the application of subparagraph (b) of paragraph 2 of Article 10 of the Convention to dividends paid by a Real Estate Investment Trust in cases where (i) the beneficial owner of the dividends beneficially holds an interest of 5 percent or less in each class of the stock of the Real Estate Investment Trust and the dividends are paid with respect to a class of stock of the Real Estate Investment Trust that is publicly traded or (ii) the beneficial owner of the dividends beneficially holds an interest of 10 percent or less in the Real Estate Investment Trust and the Real Estate Investment Trust is diversified.

(2) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAX CONVENTION WITH SOUTH AFRICA

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the United States of America and the Republic of South Africa for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, signed at Cape Town February 17, 1997 (Treaty Doc. 105–9), subject to the declaration of subsection (a), and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President.

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

PROTOCOL AMENDING TAX CONVENTION WITH CANADA

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol Amending the Convention Between the United States of America and Canada with Respect to Taxes on Income and on Capital Signed at Washington on September 26, 1980 as Amended by the Protocols Signed on June 14, 1983, March 28, 1984 and March 17, 1995, signed at Ottawa on July 29, 1997 (Treaty Doc. 105–29) subject to the declaration of subsection (a), and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President.

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President.

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TAX CONVENTION WITH IRELAND

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, signed at Dublin on July 28, 1997, together with Protocol and exchange of notes done on the same date (Treaty Doc. 105–31), subject to the understanding of subsection (a), the declarations of subsection (b), and the proviso of subsection (c).

(a) UNDERSTANDING.—The Senate's advice and consent is subject to the following understanding which shall be included in the instrument of ratification, and shall be binding on the President:

(1) EXCHANGE OF INFORMATION.—The United States competent authority follows a practice of comity with respect to exchanges of information under all tax conventions.

(b) DECLARATIONS.—The Senate's advice and consent is subject to the following two declarations, which shall be binding on the President:

(1) REAL ESTATE INVESTMENT TRUSTS.—The United States shall use its best efforts to negotiate with the Government of Ireland a protocol amending the Convention to provide for the application of subparagraph (b) of paragraph 2 of Article 10 of the Convention to dividends paid by a Real Estate Investment Trust in cases where (ii) the beneficial owner of the dividends beneficially holds an interest of 5 percent or less in each class of

the stock of the Real Estate Investment Trust and the dividends are paid with respect to a class of stock of the Real Estate Investment Trust that is publicly traded or (i) the beneficial owner of the dividends beneficially holds an interest of 10 percent or less in the Real Estate Investment Trust and the Real Estate Investment Trust is diversified.

(2) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(c) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

Mr. NICKLES. Mr. President, I ask for a division vote on the resolutions of ratification.

The PRESIDING OFFICER. A division is requested. Senators in favor of the resolutions of ratification will rise and stand until counted. (After a pause.) Those opposed will rise and stand until counted.

On a division, two-thirds of the Senators present and voting, having voted in the affirmative, the resolutions of ratification are agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

NATIONAL CONCERN ABOUT YOUNG PEOPLE AND GUN VIOLENCE DAY

Mr. NICKLES. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate resolution 141, and that the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 141) expressing the sense of the Senate regarding National Concern About Young People and Gun Violence Day.

The Senate proceeded to consider the resolution.

Mrs. MURRAY. Mr. President, I want to thank my many colleagues, who on such short notice, agreed to cosponsor and enact this resolution establishing November 6, 1997, as National Concern about Young People and Gun Violence Day. I know the many volunteers and organizations working to protect our children also offer their thanks.

Today, Halloween, is a perfect day to reaffirm our national commitment to stopping youth violence. On this night, children across America will be going trick or treating dressed in all sorts of wonderful costumes. They will enjoy seeing each other, visiting their neighbors, and—best of all—getting mountains of sweets.

But in many cities, parents will keep their children inside. There will be no trick or treating because the streets are too dangerous for children. There might be block parties, but there won't be the fun and freedom that comes from frolicking through the streets in search of the good treats. All of us recognize the importance of making our streets and communities safe for children.

One person, Mary Lewis Grow, thought something we might do to make our young people safer was to establish a national Day of Concern. So, this Minnesota homemaker, in 1996, persuaded Senators WELLSTONE, SPECTER, and Bradley to introduce this resolution. Other groups, such as Mothers Against Violence in America, joined her effort. The proclamation of a special day of recognition also provided support to a national effort to encourage students to sign a pledge against gun violence. In 1996, 32,000 students in Washington State signed the pledge card, as did more than 200,000 children in New York City, and tens of thousands more across the Nation.

The Student Pledge Against Gun Violence calls for a national observance on November 6 to give students throughout America the chance to make a promise, in writing, that they will do their part to prevent gun violence. The students' pledge promises three things: first, they will never carry a gun to school; second, they will never resolve a dispute with a gun; and third, they will use their influence with friends to discourage them from resolving disputes with guns.

Mr. President, just last week I joined several colleagues on the floor of the Senate as we decried the murder of Ann Harris, a 17-year-old Virginian, by a 19-year-old man in Washington State. This random act of violence was apparently precipitated because the car in which Ann was a passenger was going too slowly for the driver of the car in which the murderer was riding. The young man was angry enough and morally numbed enough to fire his gun into Ann's car, killing Ann. What a tragedy. What a waste.

In another example, a 14-year-old boy opened fire in a Moses Lake, WA, classroom, killing a teacher and student and wounding others. He has been convicted, but that does little to ease the pain of the loss suffered by that small community. Maybe if he had signed a pledge, maybe if he had heard the message over and over from parents and friends that gun violence was the wrong way to solve problems, maybe if, maybe if. We don't know how we might have stopped this act of violence, but we know we all have to try education, try outreach, try everything.

Mr. President, we need to help all of our kids feel a part of this society. Yet often we overlook the young people themselves when trying to develop solutions. Students and other young leaders represent the great untapped resource for improving our communities. As many teachers and police officers have told me, "if a young person doesn't succeed anywhere else, they can always find success in a gang." We need to make sure they have more productive options. The road to creating these options, and to healing our communities, starts with the young people themselves.

Young people increasingly grow tired of getting all of the blame for crime in our neighborhoods, and none of the responsibility for solutions. If you ask young people what they think will make a difference for them, you'll find them to be highly creative. Many times their solutions work far better than solutions put forward by adults.

Young people in my State and across the country don't like school uniform requirements, curfews, and other policies enacted for young people. Young people with the Seattle Youth Involvement Network decided to do something about it. They opened a dialog with the police department. They shared perspectives. They looked across the lines that separated their cultures. They spoke about ways police see and speak with young people and vice versa. And they found solutions to many problems facing them both.

For more than a year now, I've been in a dialog with young people from all over the State of Washington who have joined the Senate Advisory Youth Involvement Team I established. They advise me on issues affecting them, and I help them with local community action. Crime, and how to prevent it, is a large concern with the young people I talk with, whether they are in gifted programs or youth offender programs.

This resolution today should be seen as an invitation for young people across the country to tell us what they think about how to solve the problems of crime and gun violence. It should be displayed in every school, community center, and on every street corner in America.

Mr. President, let us work with our kids to show them we care. And with our communities to give these young people other options to violence. I again affirm my commitment to work with our young people to let them know we care about them and to help them learn gun violence is not the answer to any problem.

Mr. NICKLES. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to, en bloc, that the motion to reconsider be laid

upon the table, that any statements relating thereto be placed in the record as if read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 141) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 141

Whereas every day in America, 15 children under the age of 19 are killed with guns;

Whereas in 1994, approximately 70 percent of murder victims aged 15 to 17 were killed with a handgun;

Whereas in 1995, nearly 8 percent of high school students reported having carried a gun in the past 30 days;

Whereas young people are our nation's most important resource, and we, as a society, have a vested interest in helping children grow from a childhood free from fear and violence into healthy adulthood;

Whereas young people can, by taking responsibility for their own decisions and actions, and by positively influencing the decisions and actions of others, help chart a new and less violent direction for the entire Nation;

Whereas students in every school district in the Nation will be invited to take part in a day of nationwide observance involving millions of their fellow students, and will thereby be empowered to see themselves as significant agents in a wave of positive social change; and

Whereas the observance of this day will give the students the opportunity to make an earnest decision about their future by voluntarily signing the "Student Pledge Against Gun Violence", and sincerely promise that the students will never take a gun to school, will never use a gun to settle a dispute, and will use their influence to keep friends from using guns to settle disputes: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) November 6, 1997, should be designated as "National Concern About Young People and Gun Violence Day"; and

(2) the President should be authorized and requested to issue a proclamation calling upon the school children of the United States to observe such day with appropriate ceremonies and activities.

EXPORT-IMPORT BANK OF THE UNITED STATES REAUTHORIZATION ACT

Mr. NICKLES. Mr. President, I ask the Chair lay before the Senate a message from the House of Representatives on (S. 1026) to reauthorize the Export-Import Bank of the United States.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1026) entitled "An Act to reauthorize the Export-Import Bank of the United States.", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. EXTENSION OF AUTHORITY.

Section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking "1997" and inserting "2001".

SEC. 2. TIED AID CREDIT FUND AUTHORITY.

(a) Section 10(c)(2) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i–3(c)(2)) is amended by striking "through September 30, 1997".

(b) Section 10(e) of such Act (12 U.S.C. 635i–3(e)) is amended by striking the first sentence and inserting the following: "There are authorized to be appropriated to the Fund such sums as may be necessary to carry out the purposes of this section.".

SEC. 3. EXTENSION OF AUTHORITY TO PROVIDE FINANCING FOR THE EXPORT OF NONLETHAL DEFENSE ARTICLES OR SERVICES THE PRIMARY END USE OF WHICH WILL BE FOR CIVILIAN PURPOSES.

Section 1(c) of Public Law 103–428 (12 U.S.C. 635 note; 108 Stat. 4376) is amended by striking "1997" and inserting "2001".

SEC. 4. CLARIFICATION OF PROCEDURES FOR DENYING CREDIT BASED ON THE NATIONAL INTEREST.

Section 2(b)(1)(B) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(B)) is amended—

(1) in the last sentence, by inserting ", after consultation with the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate," after "President"; and

(2) by adding at the end the following: "Each such determination shall be delivered in writing to the President of the Bank, shall state that the determination is made pursuant to this section, and shall specify the applications or categories of applications for credit which should be denied by the Bank in furtherance of the national interest.".

SEC. 5. ADMINISTRATIVE COUNSEL.

Section 3(e) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(e)) is amended—

(1) by inserting "(1)" after "(e)"; and

(2) by adding at the end the following:

"(2) The General Counsel of the Bank shall ensure that the directors, officers, and employees of the Bank have available appropriate legal counsel for advice on, and oversight of, issues relating to ethics, conflicts of interest, personnel matters, and other administrative law matters by designating an attorney to serve as Assistant General Counsel for Administration, whose duties, under the supervision of the General Counsel, shall be concerned solely or primarily with such issues.".

SEC. 6. ADVISORY COMMITTEE FOR SUB-SAHARAN AFRICA.

(a) IN GENERAL.—Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)) is amended by inserting after paragraph (8) the following:

"(9)(A) The Board of Directors of the Bank shall take prompt measures, consistent with the credit standards otherwise required by law, to promote the expansion of the Bank's financial commitments in sub-Saharan Africa under the loan, guarantee, and insurance programs of the Bank.

"(B)(i) The Board of Directors shall establish and use an advisory committee to advise the Board of Directors on the development and implementation of policies and programs designed to support the expansion described in subparagraph (A).

"(ii) The advisory committee shall make recommendations to the Board of Directors on how the Bank can facilitate greater support by United States commercial banks for trade with sub-Saharan Africa.

"(iii) The advisory committee shall terminate 4 years after the date of the enactment of this subparagraph.".

(b) REPORTS TO THE CONGRESS.—Within 6 months after the date of the enactment of this Act, and annually for each of the 4 years thereafter, the Board of Directors of the Export-Import Bank of the United States submit to the Congress a report on the steps that the Board has taken to implement section 2(b)(9)(B) of the Export-Import Bank Act of 1945 and any recommendations of the advisory committee established pursuant to such section.

SEC. 7. INCREASE IN LABOR REPRESENTATION ON THE ADVISORY COMMITTEE OF THE EXPORT-IMPORT BANK.

Section 3(d)(2) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(d)(2)) is amended—

(1) by inserting "(A)" after "(2)"; and

(2) by adding after and below the end the following:

"(B) Not less than 2 members appointed to the Advisory Committee shall be representative of the labor community.".

SEC. 8. OUTREACH TO COMPANIES.

Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is amended by adding at the end the following:

"(I) The Chairman of the Bank shall design and implement a program to provide information about Bank programs to companies which have not participated in Bank programs. Not later than 1 year after the date of the enactment of this subparagraph, the Chairman of the Bank shall submit to the Congress a report on the activities undertaken pursuant to this subparagraph.".

SEC. 9. FIRMS THAT HAVE SHOWN A COMMITMENT TO REINVESTMENT AND JOB CREATION IN THE UNITED STATES TO BE GIVEN PREFERENCE IN FINANCIAL ASSISTANCE DETERMINATIONS.

Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)), as amended by section 8 of this Act, is amended by adding at the end the following:

"(J) The Board of Directors of the Bank shall prescribe such regulations and the Bank shall implement such procedures as may be appropriate to ensure that, in selecting from among firms to which to provide financial assistance, preference be given to any firm that has shown a commitment to reinvestment and job creation in the United States.".

SEC. 10. PREFERENCE IN EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO CHINA TO BE PROVIDED TO COMPANIES ADHERING TO CODE OF CONDUCT.

(a) IN GENERAL.—Section 2 of the Export-Import Bank Act of 1945 (12 U.S.C. 635) is amended by adding at the end the following:

"(f) PREFERENCE IN ASSISTANCE FOR EXPORTS TO CHINA TO BE PROVIDED TO ENTITIES ADHERING TO CODE OF CONDUCT.—

"(1) PROHIBITIONS.—

"(A) IN GENERAL.—In determining whether to guarantee, insure, extend credit, or participate in the extension of credit with respect to the export of goods or services destined for the People's Republic of China, the Board of Directors shall give preference to entities that the Board of Directors determines have established and are adhering to the code of conduct set forth in paragraph (2).

"(B) PENALTY FOR VIOLATION.—The Bank shall withdraw any guarantee, insurance, or credit that the Bank has provided, and shall withdraw from any participation in an extension of credit, to an entity with respect to the export of any good or service destined for the People's Republic of China if the Board of Directors determines that the entity is not adhering to the code of conduct set forth in paragraph (2).

"(2) CODE OF CONDUCT.—An entity shall do all of the following in all of its operations:

"(A) Provide a safe and healthy workplace.

"(B) Ensure fair employment, including by—

"(i) avoiding child and forced labor, and discrimination based upon race, gender, national origin, or religious beliefs;

''(ii) respecting freedom of association and the right to organize and bargain collectively;

''(iii) paying not less than the minimum wage required by law or the prevailing industry wage, whichever is higher; and

''(iv) providing all legally mandated benefits.

''(C) Obey all applicable environmental laws.

''(D) Comply with United States and local laws promoting good business practices, including laws prohibiting illicit payments and ensuring fair competition.

''(E) Maintain, through leadership at all levels, a corporate culture—

''(i) which respects free expression consistent with legitimate business concerns, and does not condone political coercion in the workplace;

''(ii) which encourages good corporate citizenship and makes a positive contribution to the communities in which the entity operates; and

''(iii) in which ethical conduct is recognized, valued, and exemplified by all employees.

''(F) Require similar behavior by partners, suppliers, and subcontractors under terms of contracts.

''(G) Implement and monitor compliance with the subparagraphs (A) through (F) through a program that is designed to prevent and detect noncompliance by any employee or supplier of the entity and that includes—

''(i) standards for ethical conduct of employees of the entity and of suppliers which refer to the subparagraphs;

''(ii) procedures for assignment of appropriately qualified personnel at the management level to monitor and enforce compliance;

''(iii) procedures for reporting noncompliance by employees and suppliers;

''(iv) procedures for selecting qualified individuals who are not employees of the entity or of suppliers to monitor compliance, and for assessing the effectiveness of such compliance monitoring;

''(v) procedures for disciplinary action in response to noncompliance;

''(vi) procedures designed to ensure that, in cases in which noncompliance is detected, reasonable steps are taken to correct the noncompliance and prevent similar noncompliance from occurring; and

''(vii) communication of all standards and procedures with respect to the code of conduct to every employee and supplier—

''(I) by requiring all management level employees and suppliers to participate in a training program; or

''(II) by disseminating information orally and in writing, through posting of an explanation of the standards and procedures in prominent places sufficient to inform all employees and suppliers, in the local languages spoken by employees and managers.

''(3) SMALL BUSINESS EXCEPTION.—This subsection shall not apply to an entity that is a small business (within the meaning of the Small Business Act).''.

(b) ANNUAL REPORT.—Section 2(b)(1)(A) of such Act (12 U.S.C. 635(b)(1)(A)) is amended by adding at the end the following: ''The Bank shall include in the annual report a description of the actions the Bank has taken to comply with subsection (f) during the period covered by the report.''.

(c) RECIPIENTS OF ASSISTANCE FROM THE EXPORT-IMPORT BANK TO BE PROVIDED WITH RESOURCES AND INFORMATION TO FURTHER ADHERENCE TO GLOBAL CODES OF CORPORATE CONDUCT.—The Export-Import Bank of the United States shall work with the Clearinghouse on Corporate Responsibility that is being developed by the Department of Commerce to ensure that recipients of assistance from the Export-Import Bank are made aware of, and have access to, resources and organizations that can assist the recipients in developing, implementing, and monitoring global codes of corporate conduct.

SEC. 11. RENAMING OF BANK AS THE UNITED STATES EXPORT BANK.

(a) AMENDMENTS TO THE EXPORT-IMPORT BANK ACT OF 1945.—

(1) The first section of the Export-Import Bank Act of 1945 (12 U.S.C. 635 note) is amended to read as follows:

''SECTION 1. SHORT TITLE.

''This Act may be cited as the 'United States Export Bank Act of 1945'.''.

(2) The following provisions of such Act are amended by striking ''Export-Import Bank of the United States'' and inserting ''United States Export Bank'':

(A) Section 2(a)(1) (12 U.S.C. 635(a)(1)).
(B) Section 3(a) (12 U.S.C. 635a(a).
(C) Section 3(b) (12 U.S.C. 635a(b)).
(D) Section 3(c)(1) (12 U.S.C. 635a(c)(1)).
(E) Section 4 (12 U.S.C. 635b).
(F) Section 5 (12 U.S.C. 635d).
(G) Section 6(a) (12 U.S.C. 635e(a)).
(H) Section 7 (12 U.S.C. 635f).
(I) Section 8(a) (12 U.S.C. 635g(a)).
(J) Section 9 (12 U.S.C. 635h).

(3) The following provisions of such Act are amended by striking ''Export-Import Bank'' each place it appears and inserting ''United States Export Bank'':

(A) Section 2(b)(1)(A) (12 U.S.C. 635(b)(1)(A)).
(B) Section 3(c)(3) (12 U.S.C. 635a(c)(3)).

(b) DEEMING RULES.—Any reference in any law, map, regulation, document, paper, or other record of the United States to the Export-Import Bank of the United States is deemed to be a reference to the United States Export Bank, and any reference in any law, map, regulation, document, paper, or other record of the United States to the Export-Import Bank Act of 1945 is deemed to be a reference to the United States Export Bank Act of 1945.

SEC. 12. PROHIBITION AGAINST ASSISTANCE TO RUSSIA IF RUSSIA TRANSFERS CERTAIN MISSILE SYSTEMS TO THE PEOPLE'S REPUBLIC OF CHINA.

Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C 635(b)) is amended by adding at the end the following:

''(12) PROHIBITION AGAINST ASSISTANCE TO RUSSIA IF RUSSIA TRANSFERS CERTAIN MISSILE SYSTEMS TO THE PEOPLE'S REPUBLIC OF CHINA.—If the President of the United States is made aware that Russia has transferred or delivered to the People's Republic of China an SS–N–22 or SS–N–26 missile system, the President of the United States shall notify the Bank of the transfer or delivery. Upon receipt of the notification, the Bank shall not insure, guarantee, extend credit or participate in an extension of credit with respect to, or otherwise subsidize the export of any good or service to Russia.''.

SEC. 13. PROHIBITION AGAINST PROVISION OF ASSISTANCE FOR EXPORTS TO COMPANIES THAT EMPLOY CHILD LABOR.

Section 2 of the Export-Import Bank Act of 1945 (12 U.S.C. 635) is amended by adding at the end the following:

''(f) PROHIBITION AGAINST ASSISTANCE FOR EXPORTS TO COMPANIES THAT EMPLOY CHILD LABOR.—The Bank shall not guarantee, insure, extend credit, or participate in the extension of credit with respect to the export of any good or service to an entity if the entity—

''(1) employs children in a manner that would violate United States law regarding child labor if the entity were located in the United States; or

''(2) has not made a binding commitment to not employ children in such manner.''.

Mr. NICKLES. Mr. President, I move that the Senate disagree to the amendment of the House, agree to the request for a conference, and the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. D'AMATO, Mr. GRAMS, Mr. HAGEL, Mr. SARBANES, and Ms. MOSELEY-BRAUN conferees on the part of the Senate.

ORDERS FOR MONDAY, NOVEMBER 3, 1997

Mr. NICKLES. Mr. President, I ask unanimous consent when the Senate completes its business today it stand in adjournment until the hour of 12 noon on Monday, November 3. I further ask on Monday immediately following the prayer the routine requests through the morning hour be granted and there immediately be a period for the transaction of morning business until the hour of 2:45 p.m. with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Under a previous order, at 2:45 p.m. the Senate will proceed to the nomination of Charles Rossotti to be the IRS Commissioner, with a vote to occur at 5:45 p.m. on Monday. I anticipate that following the 5:45 p.m. vote, the Senate will begin debate on a motion to proceed to consideration of Senate bill 1269, the so-called fast-track legislation.

AUTHORITY FOR COMMITTEES TO FILE REPORTS

Mr. NICKLES. I ask unanimous consent the committees have until 6 o'clock p.m. this evening to file reports on legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. NICKLES. In conjunction with the previous unanimous-consent agreements, on Monday the Senate will begin a period of morning business from 12 noon until 2:45 p.m. At 2:45 p.m. the Senate will proceed to executive session to consider the nomination of calendar No. 351, Charles Rossotti to be Commissioner of the Internal Revenue Service. Under the previous consent, there will be 3 hours of debate upon the nomination, with the vote occurring at the expiration of that time. Therefore, Members can anticipate the first rollcall vote on Monday at approximately 5:45 p.m. Following that vote, the Senate will begin debate on the motion to proceed to Senate bill 1269, the fast-track legislation. The Senate may also consider and complete action on any or all of the following items: The D.C. appropriations bill, FDA reform conference report, Amtrak strike resolution, the intelligence authorization conference report, and any additional legislative or executive items that can be cleared for action.

As a reminder to all Members, today cloture was filed on both H.R. 2646, the A-plus education savings account bill, and the motion to proceed to 1269, the fast-track legislation. Those cloture votes will occur on Tuesday morning, and the leader will notify all Senators of the time of the cloture votes on Tuesday. Therefore, all first-degree amendments to H.R. 2646 must be filed Monday by 1 o'clock p.m. Needless to say, all Senators should expect rollcall votes during every day of the session next week.

ADJOURNMENT UNTIL 12 NOON MONDAY, NOVEMBER 3, 1997

Mr. NICKLES. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 3:22 p.m., adjourned until Monday, November 3, 1997, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate October 31, 1997:

DEPARTMENT OF JUSTICE

BEVERLY BALDWIN MARTIN, OF GEORGIA, TO BE U.S. ATTORNEY FOR THE MIDDLE DISTRICT OF GEORGIA FOR THE TERM OF FOUR YEARS VICE JAMES LAMAR WIGGINS, RESIGNED.

CENTRAL INTELLIGENCE AGENCY

ROBERT M. MCNAMARA, JR., OF MARYLAND, TO BE GENERAL COUNSEL OF THE CENTRAL INTELLIGENCE AGENCY. (NEW POSITION)

FOREIGN SERVICE

THE FOLLOWING-NAMED PERSONS OF THE AGENCIES INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF THE CLASSES STATED, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH:

FOR APPOINTMENT AS FOREIGN SERVICE OFFICER OF CLASS TWO, CONSULAR OFFICER AND SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

KENNETH A. THOMAS, OF OREGON

THE FOLLOWING-NAMED MEMBERS OF THE FOREIGN SERVICE OF THE DEPARTMENT OF COMMERCE AND THE DEPARTMENT OF STATE TO BE CONSULAR OFFICERS AND/OR SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA, AS INDICATED:

CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

NASIR ABBASI, OF MARYLAND
CHRISTOPHER ADAMS, OF CALIFORNIA
KELLY ADAMS-SMITH, OF NEW JERSEY
STEVEN P. ADAMS-SMITH, OF NEW JERSEY
STEPHEN J. AKARD, OF INDIANA
SALVATORE ANTONIO AMODEO, OF VIRGINIA
JONE M. BOSWORTH, OF NEBRASKA
MELANIE M. BOWEN, OF MASSACHUSETTS
ROXANNE CABRAL, OF VIRGINIA
MARK MINGE CAMERON, OF ALABAMA
HUNTER HUIE CASHDOLLAR, OF TENNESSEE
GARY L. CHILDS, OF INDIANA
MICHAEL S. COHEN, OF VIRGINIA
ANGELA COLYVAS, OF PENNSYLVANIA
R. SEAN COOPER, OF CALIFORNIA
ALAN EYRE, OF VIRGINIA
JOSEPH G. FEARN, OF VIRGINIA
PAUL MICHAEL FERMOILE, OF LOUISIANA
ANTHONY C. FERNANDES, OF MASSACHUSETTS
ERIC A. FICHTE, OF VIRGINIA
KATHRYN LAURA FLACHSBART, OF CALIFORNIA
KRISTINA A. GILL, OF TENNESSEE
DIANE M. GOODNIGHT, OF VIRGINIA
SANDRA GROOMS, OF VIRGINIA
MICHAEL WILLIAM HALE, OF VIRGINIA
NEAL J. HANLEY, OF VIRGINIA
ALI JALILI, OF VIRGINIA
DANIEL P. JASSEM, OF COLORADO
THOMAS TAN JUNG, OF WASHINGTON
DAVID JOSEPH JURAS, OF KENTUCKY
KIMBERLY A. KARSIAN, OF COLORADO
ALEXANDER I. KASANOF, OF NEW YORK
RIMA KOYLER, OF PENNSYLVANIA
LLOYD R. LEWIS, III, OF OHIO
MICHAEL J. MA, OF VIRGINIA
LAURA A. MALENAS, OF MARYLAND
PETER G. MARTIN, OF MASSACHUSETTS
EMILY T. METZGAR, OF MICHIGAN
DANA CHRISTIAN MURRAY, OF FLORIDA
KIM M. NATOLI, OF FLORIDA
KIRBY D. NELSON, OF IDAHO
GEORGE ARTHUR NOLL, OF RHODE ISLAND
QUI NGUYEN, OF CALIFORNIA
BRIAN JAY O'ROURKE, OF NEW MEXICO
TERESA D. PEREZ, OF TEXAS
STEVEN D. PRICE, OF CALIFORNIA
BARTON J. PUTNEY, OF WISCONSIN
DANIEL MICHAEL RHEA, OF VIRGINIA
JAMES SAMUELS, OF VIRGINIA
MITCHELL R. SCOGGINS, OF NORTH CAROLINA
KATHLEEN R. SEIP, OF VIRGINIA
SUSANNAH E. SILVERBRAND, OF MAINE
KIRK G. SMITH, OF WASHINGTON
W. AARON TARVER, OF LOUISIANA
CHRISTOPH J. WELSH, OF VIRGINIA
LOUISE M. WILKINS, OF VIRGINIA
MARC HERVERT WILLIAMS, OF NEVADA
CHARLES GRANDIN WISE, OF VIRGINIA

CONFIRMATION

Executive nomination confirmed by the Senate October 31, 1997:

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE.

To be lieutenant general

MAJ. GEN. JACK P. NIX, JR., xx...

EXTENSIONS OF REMARKS

INTRODUCTION OF LEGISLATION TO PROVIDE TAX-ADVANTAGED STOCK OPTIONS TO NON-HIGHLY COMPENSATED EMPLOYEES

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. HOUGHTON. Mr. Speaker, today I am introducing the Employee Stock Option Act of 1997, a bill designed to provide tax-advantaged stock options for more moderately paid employees. The legislation will enable these employees to participate meaningfully in their company's success.

BACKGROUND

There is a growing concern about the wage gap. The perception is that there is a widening in the gap between the compensation of executives who are given stock options and regular employees. Much of executive compensation is made in the form of stock options. They have been profitable because of a rising stock market. Furthermore, many executives have earned substantial awards during a period of poor performance or and at times when others were being laid off.

How can we address this wage gap issue without imposing Government mandates, etc. at the upper end? There is presently a $1 million limit on the tax deductibility of nonperformance based executive compensation for a publicly-traded corporation. The limit can be exceeded if compensation is based on performance goals or stock options tied to the market, therefore this limit has not slowed the increase in total compensation of executives during the past few years.

This Employee Stock Option Act of 1997 takes a different approach. Rather than putting a lid on the top, it gives a lift to the bottom. This legislation will benefit employees, whose hard work has enhanced the companies overall performance. In other words, employees through a broad-based stock option program ought to be able to build their wealth beyond what they would ordinarily receive from a salary. Furthermore, this act would give employees with limited disposable income the luxury of cashing in the option to pay education cost, putting a down payment on a home, or maintaining savings for the future.

PROPOSAL

Provides a special stock option provision for employee stock options [ESO's], if companies offered at least 50 percent of the total options under the special stock option provision in a given year to non-highly compensated employees [NHCE's].

The idea is to provide a simple stock option approach for all employees. Such an option could be easily converted into cash, with minimum taxes, and would therefore put funds immediately in the employees' pockets. Of course, it is recognized that some holding period of the option or stock is appropriate for consistent tax policy.

This proposal would encourage employee participation in the growth of the enterprise and provide a tangible benefit through an increase in the stock price.

DETAILS

A new subsection (e) would be added to Internal Revenue Code section 422. The new subsection would provide that highly compensated employees could be awarded stock options, up to a new dollar limitation of $200,000, if half or more of the options granted in a particular year go to non-highly compensated employees, [NHCE's]. Under current law, section 422(d) mandates a dollar limitation of $100,000. It is believed that raising the cap for these special options will encourage corporations to grant more options to lower level employees as further explained below.

NHCE's comprise those employees who are not defined in section 414(q) as a "highly compensated employee", the latter being an employee who generally earns $80,000 or more, adjusted annually for cost-of-living changes. Amount increased under H.R. 3448.

If the employee either holds the subsection (e) option for 2 years or holds the stock for at least a 1-year period, then no income would be recognized by the employee upon grant or exercise of the option. Upon sale, any gain would be treated as a long-term capital gain and could be eligible for the new reduced capital gain rate of 20 percent if the employee holds the stock longer than 18 months, otherwise it would be subject to the current maximum rate of 28 percent or treated as ordinary income if that resulted in a lesser tax. The present law requires a holding period of at least 2 years from date of grant and 1 year for the stock, so it is necessary to add a provision to cover the subsection (e) options as the option could be exercised after 2 years and the stock immediately sold.

In addition, the excess of the fair market value at exercise of the subsection (e) option shares over the option price, would not be subject to the alternative minimum tax [AMT], as under current law. This exception would only apply to the new subsection (e) options. Although the current AMT on incentive stock options normally might not apply to individual NHCE's because of the annual exemption, this exception would eliminate the burden of complexity and recordkeeping requirements related to such calculations. This change would also encourage corporations to make greater use of the stock options for employees and executives.

If the employer offers subsection (e) options to employees who qualify as NHCE employees, and such options represent at least 50 percent of the total subsection (e) options granted to all employees in a given year, then highly compensated paid employees could receive the identical tax benefit as the NHCE's. This test would be applied on a yearly basis. The combination of first, a shorter minimum holding period of 1 year, second, elimination of the AMT, and third, raising the annual cap, all applicable only to subsection (e) stock options, should be a powerful incentive for corporations to offer these options to regular employees in order to be able to offer them to executives.

It is anticipated that a cashless exercise system would be used for exercising such the NHCE options. This is not unlike the system widely used today.

The current rules regarding corporate deductibility and disqualifying dispositions would apply, except for changes in the holding period. For example, if the employee exercises the option, and disposes of the stock in 9 months from date of grant, then the employee has ordinary income as compensation, and the employer is entitled to a deduction for the same amount. However, in cases where the option is held for 2 years or more before exercise or holds the stock 1 year or longer after exercise, then the gain at exercise is not deductible by the employer.

Other provisions applicable to the current incentive stock option plans, and identical to those in section 422(b), would also apply to subsection (e) stock options. Generally the provisions are:

An option plan approved by the shareholders is required.

Option price no less than the fair market value at date of grant.

Option granted with 10 years from the date plan is adopted.

Option period no longer than the shorter of 10 years or 1 year after termination of employment.

Option not transferable except at death, etc.

Grantee does not own stock possessing more than 10 percent of the voting power.

In addition, non-employee directors, independent contractors, and consultants would be ineligible to receive subsection (e) stock options.

It is not the intention of this proposal to change the provisions relating to incentive stock options under section 422, other than adding a new special option under section 422 (e), or employee stock options under section 423.

The proposal is not limited to publicly-traded companies, although that is where the wage gap issue has been highlighted because of the compensation information available to the public. Private companies should be able to participate as well.

I urge my colleagues to join me in support of this legislation.

A TRIBUTE TO HAROLD MALKMES—1997 CITIZEN OF THE YEAR

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. FORBES. Mr. Speaker, I rise today in this hallowed Chamber to join the Patchogue-Medford Youth & Community Services of Patchogue, Long Island as they honor Mr. Harold Malkmes, of Stony Brook, Long Island, as 1997 Citizen of the Year.

A native of Port Jefferson, on Suffolk County's north shore, Harold Malkmes has served the residents of Brookhaven for the past 31 years as the town's superintendent of highways. During his tenure, Mr. Malkmes has dedicated himself to maintaining the safest possible system of roads, instituting many innovative programs, including ones that successfully alleviated severe drainage problems throughout the town.

Perhaps the most significant of Mr. Malkmes innovations is the development of the Brookhaven Town composting program and ecology education site, located in the town's Holtsville community. Nationally recognized for its cooperative work with the Boy and Girl Scouts, 4H Clubs and senior citizens, this ground-breaking program uses hands-on exhibits and demonstrations that teach the importance of recycling, reusing, and preserving our precious natural resources.

A graduate of the State University of New York at Farmingdale with a degree in horticulture, Mr. Malkmes was imbued with his love for Long Island's natural environment as a youth working in his family's florist business. Today, Mr. Malkmes sponsors the Holtsville Explorer Post that works with youth who are interested in the field of ecology and developed the "Help Save the Wildlife" program that allows residents, students, church groups, and schools to sponsor the care and keeping of an animal at the Holtsville Zoo. Mr. Malkmes also developed the Ecology Site Outreach Showmobile, allowing the ecological education program to travel to local schools and visit kindergarten and third grade classes that are unable to visit the zoo.

These are just a few of the reasons, Mr. Speaker, that I ask my colleagues in the U.S. House of Representatives to join me honoring Harold Malkmes, a dedicated public servant who has done so much more than fulfill his duties of office. His dedication and tireless efforts for the residents of Brookhaven Town, Long Island—particularly its youth—should serve as an example to all of us who are called to public service. Congratulations, Harold.

TRIBUTE TO EUGENE COPPOLA

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. PASCRELL. Mr. Speaker, I would like to call to your attention Mr. Eugene Coppola as he is honored by the Fidelians as their 1997 Man of the Year on Saturday, November 1, 1997. He has earned this prestigious honor by becoming a driving force behind the Fidelians' magnanimous and numerous charitable efforts.

The Fidelians were founded in 1939 as an organization to help inner city youth. It has grown in the ensuing decades and can now claim over 100 members. As an organization, the Fidelians own a 3½ acre camp in North Haledon. Each summer, they administer a summer camp for children with Down's syndrome. In addition, they assist other camps that utilize their facilities, including a camp from Paterson that supports children with cerebral palsy.

For early two decades, Eugene has played a vital and integral role in directing the charitable deeds of the Fidelians. He has been a member for over 17 years. Eugene has also demonstrated a unique capacity to lead, serving as president of the Fidelians and sitting on the board of trustees for several years.

Eugene has born and raised in Paterson, attending Public School No. 18 and Eastside High School. He went on to earn a bachelor's degree in business administration from Seton Hall University. A resident of Franklin Lakes, Eugene and his wife, Stephanie, are the proud parents of two children, Victoria and Michael.

However, the story of Eugene's success neither begins nor ends with his involvement with the Fidelians. Eugene also serves the community in a multitude of other capacities. As a member of the Most Blessed Sacrament Church in Franklin Lakes, he is the treasurer and a board member of the Catholic Charities of Passaic and Sussex Counties. Eugene is a trustee for the IBEW 1158 Pension and Welfare Fund, a position he has held for the past decade. He has been the president of the Mount Joseph's Childrens' Center in Totowa. In addition to his charity work with the Fidelians, Eugene supports the Deborah Heart Center, the Sloan Kettering Cancer Center, and the National Kidney Foundation.

Mr. Speaker, I ask that you join me, our colleague, Mr. Coppola's family, and the Fidelians in recognizing Mr. Eugene Coppola as the Fidelians' Man of the Year for 1997.

IN HONOR OF THE 40TH ANNIVERSARY OF EAST COAST WAREHOUSE AND 43D ANNIVERSARY OF SAFEWAY TRUCKING

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to two outstanding corporations, East Coast Warehouse & Distribution and Safeway Trucking Corp. On November 2, 1997, Mr. Roy A. Lebovitz will help celebrate these two milestones—the 40th anniversary of East Coast Warehouse and the 43d anniversary of Safeway Trucking—with an enjoyable evening of dinner and dancing at the Holiday Inn North's Grant Ballroom in Newark, NJ.

East Coast Warehouse & Distribution was incorporated nearly 40 years ago on December 11, 1957. East Coast Warehouse grew from its beginnings with 125 thousand square feet of warehouse space and 25 employees to have more than 1.4 million square feet of space and more than 200 employees.

Mr. Roy A. Lebovitz, who was born in Newark, NJ on December 14, 1932, became the corporation president, and vice president of the sister company, Safeway Trucking Corp. on March 10, 1962. He graduated with a bachelors degree in business administration from Upsala College in 1955. Mr. Lebovitz and his lovely wife Barbara were married on February 21, 1959. They have five children, Amy, Sheri, Jane, Beth, and Marc, and five grandchildren. Mr. Lebovitz served in the U.S. Army form 1955 to 1957 prior to beginning his work for Safeway Trucking and East Coast Warehouse. Mr. Lebovitz also founded successful warehousing operations in Texas and Canada, employing an additional 130 staffers along the way.

Over the years, these corporations have created partnerships with the residents of the community of Union County. The leadership and commitment of the administration, office staff and aides, warehouse staff, supervisors and managers, and all corporation drivers have contributed to this great American success story.

It is a great pleasure to honor and recognize the outstanding dedication and service of Mr. Roy A. Lebovitz; and East Coast Warehouse and Safeway Trucking, on their anniversaries.

EXPRESSING SORROW OF THE HOUSE AT THE DEATH OF HON. WALTER H. CAPPS, REPRESENTATIVE FROM THE STATE OF CALIFORNIA

SPEECH OF

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 29, 1997

Ms. WOOLSEY. Mr. Speaker, on a truly sad day for this Chamber and for this country, I rise to honor our colleague, WALTER CAPPS, a leader, a role model, and a friend.

WALTER represented the people of Santa Barbara with energy, zeal, and honor. I admired WALTER for his principles and for the solid direction of his moral compass. WALTER was a member who didn't just talk about values and principles. He lived them. And for this, WALTER was a role model to us all.

Working with him as part of the California delegation taught me so much about the kind of leader and the kind of person that we all strive to be. He gave his heart and soul to the service of the people of his district, to the people of California, and to the people of our Nation. He was a great thinker, a great philosopher, and a great man. I will never forget WALTER's generous spirit and warm heart.

WALTER dedicated his life to solving problems and resolving conflicts. And even without his physical presence, his spirit lives on in the Halls of this Chamber.

LESS FEDERAL BUREAUCRACY AND MORE COMMUNITY PARTICIPATION

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, as we debate the merits of various federal programs, I urge colleagues to keep in mind the benefits of less Federal bureaucracy and more community participation. We all recognize how much money is lost or wasted between the Federal level and the actual local people who we are trying to help. The best form of support we can give Americans is the power to do for themselves. This can be achieved by empowering communities closest to problems to have the most autonomy in deciding how to meet the challenges that face them. On this point, I want to share the thoughts of Krista Kafer of Colorado.

Studying physics taught me a thing or two about government. In an engine, large gears move slowly but with great force. Small gears move with greater speed but less force. Each cog interlocks with the others, doing its part to run the machine. Such laws apply to the mechanics of society. When friends of mine complain that government reform is too slow, I tell them that Washington is not unlike a large gear, powerful but slow. If you want to see immediate change, work at a local charity, run for City Council, join the PTA, put your shoulder to the nearest wheel.

American society runs by the motion of its different institutions. Families, businesses, charities, churches, community groups, local, state, and federal governments are interlocking gears that drive America. Burning labor, ingenuity, compassion and faith as fuel, the machine reaps the energies of its citizens to provide for the common good.

Since its inception, America has relied upon the efforts of all of its institutions to care for the needs of its citizens. However, during this century, the brunt of the work has fallen upon the large gear, the federal government, requiring it to provide services once entrusted to other institutions. Overburdened and overused, the federal system has overheated while community, church, business, and family remain under used, free spinning, not fully engaged.

The federal government is doing things it was never meant to do which is why it does not perform efficiently. It sputters and coughs, lacking the flexibility to adapt to local situations, different speeds, and different conditions. Like an ailing car engine it get poor mileage, burning tax dollars and returning only nickels. We are $5 trillion in debt but not one step further from where we started. With soaring crime, illiteracy, poverty, and illegitimacy, it would seem that we have rolled backward. The war on poverty has failed because it did not engage the whole engine.

In 1994, Congress began the process of overhauling the engine. Together with innovators and mechanics from the private sector and local governments, it is attempting to spread the work of the large gear to the rest of the engine. For example, since the enactment of the Personal Responsibility and Work Opportunity Act (welfare reform), states and counties have joined with private agencies and charities to help record numbers of individuals escape welfare dependency. This is not a trial start. These small gears must prepare themselves to undertake the work of the big gear. Ultimately, we must assume that work because we, the people, turn those gears.

The prospect of greater freedom and lower taxes must not leave us idle. Freedom is not free. Statistics reveal that the spirit of volunteerism is growing. It must. In the final inspection, we find that it can no longer be the responsibility of someone else to help our neighbors, to teach our children, to run our communities, to conserve our resources, and to enforce ethics and decency in our enterprises. It is ours. The day has passed when we could mind our own business and just take care of our own. This country is our business. It is our own. We must man the crank and turn the gears.

Mr. Speaker, it is the resourcefulness of the American people that made our country so strong. Giving power back to the people is the best way to continue the tradition of excellence established so long ago in this great Nation.

HONORING THE THOMAS J. LAHEY ELEMENTARY SCHOOL

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. ACKERMAN. Mr. Speaker, I rise today to honor the Thomas J. Lahey Elementary School, in Greenlawn, NY, which has recently received the prestigious Blue Ribbon School Award by the Department of Education. The school will be honored at a ceremony on November 6 with Education Secretary Richard Riley.

The Thomas J. Lahey Elementary has taken many innovative steps to involve the entire community in improving the quality of education for its 962 students. Volunteers throughout the community assist in a variety of tasks from reading to children to providing computer instruction in the classroom. The school also works in conjunction with local businesses to further the growth of both the community and the students. For example, for National Book Week, a local supermarket donated more than 800 grocery bags which students used to create a drawing and write a summary of their favorite books. These bags were distributed throughout the town of Greenlawn. This unique partnership between school and community should serve as a model for other schools who are trying to do more for their students in a time of declining budgets. The partnership also reminds us all of the role we in the community need to play in bettering our Nation's schools.

Much of the school's success can also be attributed to the work and dedication of its principal, Dr. Janet Perrin, who can often be found reading to children and participating in classroom instruction. Under her leadership, parents, students, and teachers have been challenged to give more of themselves to better both the school and the community.

The school has taken important steps in increasing the children's access to the Internet and the World Wide Web. At the same time, the school is working with the community to teach students the importance of the arts in our society. The Thomas J. Lahey Elementary School truly embodies the ideals of creativity and innovation. I ask all of my colleagues to join me in honoring this truly dynamic institution.

TRIBUTE TO LIMA ESTATES AND THE 25TH ANNIVERSARY OF ACTS, INC.

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to pay respectful tribute to the Adult Communities total Services, ACTS, Inc., on the 25th anniversary of the opening of the first of its 15 retirement communities in 1972. Lima Estates, since its subsequent construction in 1979, has upheld the highest standards that ACTS demands.

Six thousand individuals are residents of the 15 ACTS lifecare retirement communities in Pennsylvania, North Carolina, and Florida. Since its creation in 1971, ACTS has been the leader in lifecare, combining a wide range of services and amenities to meet changing health care needs at any level: from fully independent living, to home health care, to assisted living and skilled nursing care. The obvious advantage is that seniors can be assured of receiving the exact level of care they need in one setting, usually without having to be separated from a spouse, friends, or family. Throughout its 25-year history, ACTS has been the preeminent leader of lifecare.

Since day one, Lima Estates has remained a haven for seniors and a great provider of lifecare. Beautiful woodlands, rolling hills, and graceful colonial style architecture welcome you to this 54-acre site. They hired only the best, highly trained employees available and have remained alert to advances in health care and to the challenging needs and expectations of its residents. Lima Estates is proud of its affiliation with ACTS and hopes that their continued partnership to provide the premier lifecare in the Nation will continue well into the future.

Mr. Speaker, I ask that my colleagues rise with me in this tribute to Lima Estates and ACTS as it celebrates its 25th anniversary. Their formidable record of providing the best quality lifecare available has improved and invigorated the lives of so many. I am proud to have such an important and respected organization in my district.

HONORING ARTHUR J. GLATFELTER'S 50 YEARS OF SERVICE IN THE INSURANCE INDUSTRY

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. GOODLING. Mr. Speaker, I rise to honor Mr. Arthur J. Glatfelter. On November 7,

1997, Mr. Glatfelter will be recognized for 50 years of service in the insurance industry.

Mr. Glatfelter entered the insurance business in 1947 as a solicitor; 4 short years later he opened his own insurance agency. Today the Glatfelter Insurance Group has more than 370 associates throughout 8 satellite offices in the United States and Canada. This agency has grown to become one of the 10 largest privately owned agencies in the country.

Over the years, as his agency has grown, so have his commitments to our community. Community service and an eagerness to help others are values which have guided Mr. Glatfelter in his personal and professional life. Through his generosity and his desire to give back, he has made a difference in the lives of countless York County residents.

Art Glatfelter is a shining example of our American way of life; his devotion and tireless work on behalf of those in need have and will continue to meet the growing needs in our great Commonwealth and the York community. Mr. Glatfelter is one of the good people who makes a difference in our society.

I recall a phrase from an anonymous author: "Those who can give even a little have the sense of full participation in a great neighborly understanding." Mr. Glatfelter has given much more than "a little" and has clearly established himself as a great friend of compassion, warmth and understanding.

Mr. Speaker, I wholeheartedly congratulate Mr. Glatfelter on 50 years of commendable service in the insurance industry, the Commonwealth of Pennsylvania and the neighborhoods of York County.

A TRIBUTE TO THE FIRST BAPTIST CHURCH OF CUTCHOGUE

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. FORBES. Mr. Speaker, I rise today to recognize and honor the historical development of the First Baptist Church of Cutchogue. In 1924, a small dedicated group of members met in a little school house on Oregon Road in Cutchogue Long Island, under the leadership of Reverend E.A. Green. There, a foundation of faith was laid and dreams of things bigger and better began.

In no time at all the church began to flourish. The members established a board of deacons, trustee board, missionary society, and a senior choir. The little school house was no longer able to hold all of God's people. The trustees believed in the Baptists and were willing to do something to help. On December 15, 1925 they purchased a quarter of an acre of land on Middle Road from Frank and Anna McBride for the amount of $866.00. The deed was signed by trustees William Brown, Gilbert Davis, Kelsy Cosby, Anderson Cook, and John Jacobs. The little church wasn't little anymore.

Thanks to the trustees and the dedicated members, the beliefs of the Baptists were kept alive and the followers were strong and numerous. This success can in part be attributed to the dedicated pastors who provided guidance, patience, and support to their congregation and the community.

Present pastor, Rev. Cornelius Fulford blessed the followers with his wisdom, grace, and mercy when he took over the responsibility of the church in 1989. Pastor Fulford realizes how important children are to the church and he focuses on programs like Bible study, C.C.C. Choir, and the junior usher board. His preaching, teaching, and reaching out strengthened the bonds between the followers and provided them with the leadership they need to continue to grow as a congregation and as a society.

Mr. Speaker, it is an honor to have the First Baptist Church of Cutchogue and its members as one of our Eastern Long Island neighbors. This blessed church and its members learned that with hard work and perseverance, anything is possible in the Name of the Lord. The dedication of the clergy and congregation deserve our acknowledgement. I thank you for joining with me in their praise and recognition.

A TRIBUTE TO JERRY GAMBLE

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. PASCRELL. Mr. Speaker, I would like to call to your attention Mr. Jerry Gamble. Jerry will be honored by the Joseph M. Pizza Association of Northern New Jersey for his long and distinguished service as a dedicated law enforcement officer on Sunday, November 2, 1997.

Jerry was born in Paterson, the son of James and June Gamble. He received his education in the Haledon School System and is a graduate of the Technical and Vocational High School. Later, he attended William Paterson College. Quickly becoming a success in the law enforcement field, Jerry went back to school to further his occupational knowledge by attending management programs at Rutgers University.

Jerry's career has been one of consistent success and a prestigious line of promotions. Jerry joined the Borough of Haledon's police force in 1966 as a special police officer. Promoted to the rank of full police officer in 1970, Jerry made sergeant 7 years later. In 1982, he was promoted to captain. Five years later, in March of 1987, Jerry was named Haledon's chief of police.

Success in his professional life has also been accompanied by personal triumphs. Jerry and his wife, the former Geri Castello, are the proud parents of daughter Lindsey Marie Gamble. Throughout the Borough of Haledon and the surrounding communities, Jerry is well known as a giving man with an extensive love of family, people, and children.

Keeping pace with his outstanding career, Jerry has also been active in a number of charitable and service-oriented organizations. He has demonstrated a unique capacity for leadership, serving as the president of the Passaic County Police Chiefs Association and as the first vice-president of the Passaic County 200 Club. Jerry is also a member of PBA–349, the New Jersey State Chief of Police Association, the National Association of Chiefs of Police, the Italian American Police Officers Association, the New Jersey/New York Honor Legion, and the Haledon Business and Economic Development Association.

Mr. Speaker, in recognition of Police Chief Jerry Gamble's significant and outstanding services to Haledon and the greater Passaic County community, would you join me, our colleagues, Chief Gamble's family, and the law enforcement community of Passaic County in congratulating him on this impressive honor.

TRIBUTE TO AMBASSADOR SHYAMALA B. COWSIK

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. MENENDEZ. Mr. Speaker, I rise to pay special tribute to Ambassador Shyamala B. Cowsik, the Deputy Chief of Mission at the Indian Embassy in Washington. During Ambassador Cowsik's tenure in Washington, economic, political, and social relations between the United States and India continued to grow.

She has played an important role in improving relations between the United States and India. Ambassador Cowsik represented the interests of India not only in Washington but also throughout the United States. As a member of the Congressional Caucus on Indian and Indian-Americans, I had an opportunity to work with her closely on several occasions. Her good work contributed to more Members of this body becoming aware of the importance of a strong U.S.-Indo relationship. Members of the Indian-American community in my district and in New Jersey spoke highly of their dealings with the Ambassador and the service they received from the Mission.

Ambassador Cowsik has had a long and distinguished career in India's Foreign Service, and she is one of its highest serving women. Previously, she served in the Philippines, Thailand, and the former Yugoslavia. I hope my colleagues will join me in congratulating her for her service to India and Indian-Americans, and in wishing her success in her new position as Ambassador to Cyprus.

STATEMENT ON THE PASSING OF JOHN N. STURDIVANT, NATIONAL PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES (AFGE)

HON. ELIJAH E. CUMMINGS

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. CUMMINGS. Mr. Speaker, it is with great sorrow that I rise today to pay tribute to the memory of a great labor leader, a great citizen, and a great man, John N. Sturdivant. John Sturdivant was president of the American Federation of Government Employees (AFGE), one of the largest Federal unions, which has about 178,000 active members in

1,100 locals and represents about 600,000 workers in 68 Federal agencies. Through all the Congressional debate about the role and responsibilities of the Federal Government, one person was always there ensuring that U.S. tax dollars were not wasted and that vital public services were not lost. He was a watchdog against inefficiency and a champion of worker and human rights.

Mr. Sturdivant, a full partner in President Clinton's efforts to reinvent government, knew Americans wanted a more effective government. His efforts have made AFGE a leader in overcoming the Federal bureaucracy and achieving results. He combated the notion that workers are part of the problem when it comes to increasing government efficiency. Thanks to leaders like John Sturdivant, front-line workers are perceived as the solution and AFGE members are bringing about important changes in the way the Federal Government operates.

During the 1995 and 1996 Government shutdowns, intensive work by Mr. Sturdivant and AFGE secured important public support for the hundreds of thousands of Government employees who were locked out of their jobs or forced to work without pay. As a result of AFGE's comprehensive campaign, strong public pressure was brought to bear on an intractable Congress, ending the shutdowns and returning Federal employees to work with the guarantee of back pay.

As a key member of the National Partnership Council led by Vice President Al Gore, Mr. Sturdivant has helped agencies like Veterans Affairs and Social Security, once plagued with adversarial labor relations, improve customer service and save taxpayers' money.

The changes his leadership brought to the Federal workplace have not only given workers a greater voice on the job, but also removed the roadblocks which prevented them from taking part in the political process. A familiar face on Capitol Hill, Mr. Sturdivant helped AFGE achieve its 20-year legislative initiative with the passage of Hatch Act Reform, legislation that allows Federal employees to become politically active without undue restrictions.

Mr. Sturdivant not only amplified the chorus of Federal workers and their issues, he was also a new voice for America's minorities. One of Ebony Magazine's 100 Most Influential Blacks in America, he was the first African-American to head AFGE and first to serve as president of a major AFL–CIO union. Elected in 1988, Mr. Sturdivant also served as a vice president of the AFL–CIO. In 1989, he was elected vice president on the AFL–CIO Executive Council.

John Sturdivant was a trailblazer whose commitment and contributions on behalf of the labor movement, government workers and our way of life will be sorely missed. His passion and sacrifice have made a lasting impression on my colleagues and myself, and the people on behalf of whom he toiled will continue to benefit from the fruit of his efforts and cherish his memory for a long time to come.

CONGRATULATIONS TO AMBASSADOR COWSIK

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. ACKERMAN. Mr. Speaker, later this month Shyamala B. Cowsik, the Deputy Chief Minister at the Embassy of India, will conclude a 2-year tour of duty in the United States. During this 2-year period, Ambassador Cowsik has been a central figure in the growing diplomatic relationship between the United States and India. She has worked tirelessly to build new bridges between the world's oldest democracy and the world's largest democracy and to destroy many misconceptions which kept our countries apart for many years.

As a member of the Congressional Caucus on India and Indian-Americans, I have been privileged to know Ambassador Cowsik and to interact with her on several occasions. She has been an outstanding representative of her country's interests in Washington and in other cities across the United States. My own district in New York City and Long Island has a large, growing and prosperous Indian-American community which has been a source of inspiration and pride for me in my capacity as a Member of Congress. I am certain my constituents will miss Ambassador Cowsik as she departs to become India's Ambassador to Cyprus.

Mr. Speaker, I ask my colleagues to join me in taking this opportunity to congratulate Shyamala Cowsik on a job well done and to wish her every success in the future. I applaud her for her excellent service in Washington.

TRIBUTE TO GRANITE FARMS ESTATES AND THE 25TH ANNIVERSARY OF ACTS, INC.

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to pay respectful tribute to the Adult Communities Total Services, ACTS, Inc., on the 25th anniversary of the opening of the first of its 15 lifecare retirement communities. Granite Farms Estates was the 11th such community and, since its creation, it has upheld the highest standards that ACTS demands.

Six thousand individuals are residents of the 15 ACTS lifecare retirement communities in Pennsylvania, North Carolina, and Florida. Since its creation in 1971, ACTS has been the leader in lifecare, combining a wide range of services and amenities to meet changing health care needs at any level; from fully independent living, to home health care, to assisted living and skilled nursing care. The obvious advantage is that seniors can be assured of receiving the exact level of care they need in one setting, usually without having to be separated from a spouse, friends, or family. Throughout its 25-year history, ACTS has been the preeminent leader of lifecare.

Although ACTS, Inc. inaugurated the first of its communities in 1972, it was not until 1986 that Granite Farms Estates was opened. Situated atop a beautiful rise on the former Wawa Dairies' pasture on 25 acres, the Granite Farms Estates has remained a haven for seniors and a great provider of lifecare. Its serene country setting and its close proximity to a nature preserve have contributed to its mission to secure a peaceful environment and state of mind. Home to over 500 residents, Granite Farms has hired only the best, highly trained employees and has remained alert to advances in health care and to the challenging needs and expectations of its residents. Granite Farms Estates is proud of its affiliation with ACTS and hopes that their continued partnership to provide the premier lifecare in the Nation will continue well into the future.

Mr. Speaker, I ask that my colleagues rise with me in this tribute to Granite Farms Estates and ACTS as it celebrates its 25th anniversary. Their formidable record of providing the best quality lifecare has improved and invigorated the lives of so many. I am proud to have such an important and respected organization in my district.

20TH ANNIVERSARY OF THE FOUNDING OF THE CONGRESSIONAL CAUCUS FOR WOMEN'S ISSUES

HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Ms. CARSON. Mr. Speaker, I rise today to celebrate the 20th anniversary of the Congressional Caucus for Women's Issues. The caucus was formed to focus attention on issues of special concern to women—such as preventive health services for women, domestic violence, discrimination in education and the workplace. One of my first acts in Congress was to join the caucus, and I am proud to be a member of it.

Among our accomplishments in the 20 years since the Women's Caucus was formed, we have shepherded to passage legislation protecting pregnant women from employment discrimination, improving enforcement of child-support orders, providing a 3-year extension of health insurance coverage for wives and divorced spouses, ensuring that the National Institutes of Health do not ignore research on the health problems of women, and the Family and Medical Leave Act.

Our work is not finished, however. American women still face discrimination in employment and pay. We need more protections in child support enforcement and domestic violence. We need the caucus now more than ever.

EXPRESSING SORROW OF THE CLEMENT HOUSE AT THE DEATH OF HON. WALTER H. CAPPS, REPRESENTATIVE FROM THE STATE OF CALIFORNIA

SPEECH OF

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 29, 1997

Mr. CLEMENT. Mr. Speaker, WALTER CAPPS was a rare gift to those who work on Capitol Hill. Others have eulogized him and found that in such instances, words are inadequate. But it remains important to struggle for such words. And it is the only fitting tribute for a man who left everyone with nothing but smiles.

No one will say they knew him well enough or long enough—his passing came too soon—but all will say they were happy to have known him. His personality was such that you felt close to him and wished to claim that you were. It was an honor to be able to consider yourself a friend of WALTER CAPPS. He was a watermark for good and a genuine, kind man worthy of emulation.

I worked with Mr. CAPPS on the International Relations Committee and was always touched by his gregarious and personable presence. He was wise and thoughtful in ways uncommon and was passionate in his desire to help others. He loved his job and shared with others his good humor and a warm sense of responsibility and purpose. In no way was he political in the pejorative sense; he was an intellectual who understood his talent to bridge disciplines and cut through rhetoric in hopes of reconciling differences and pushing colleagues toward progress. His seat on the committee is empty and that emptiness will be felt long beyond this Congress.

But Mr. CAPPS was a man who touched others. He saw value and equality in his colleagues, legislative and building staff members, and his constituents. He admired them as much as they admired him, though I am sure he never fully understood how much they admired him. What we understood as his heart and his vision for humanity and religion, with honor, respect and admiration, will be carried forth in the ideas of those whom he so deeply touched.

Go well, Mr. CAPPS. We shall miss you, though we shall not forget you.

A TRIBUTE TO THE EAST END ARTS AND HUMANITIES COUNCIL OF LONG ISLAND

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. FORBES. Mr. Speaker, I rise today to pay tribute to the East End Arts and Humanities Council, of Riverhead, Long Island, as this grassroots, community arts program celebrates 25 years of providing invaluable support and encouragement to the artists, writers, and performers in the communities of Eastern Long Island.

Located in an historic Main Street building in a space donated by the town of Riverhead, the East End Arts and Humanities Council is dedicated to fostering a positive environment for the arts throughout the rural landscape it serves between Moriches and Montauk on the south, and on the north from Port Jefferson to Orient. Long Island artists are fortunate to make use of all that the Arts Council makes available, from exhibition galleries to the region's only community school of the arts, outbuildings that are used as artist-in-residence studios and a charming village green used for outdoor art events and performances.

With a long and proud reputation as a safe haven and supportive environment, the East End of Long Island is home to a world renowned number of accomplished and emerging artists. To sustain this creative environment and service to this thriving community, the East End Arts Council has helped develop a network of more than 200 arts organizations, each of whom is dedicated to sustaining and supporting a community that cherishes the arts.

There is no doubt, Mr. Speaker, that the arts are a vital force in society, enriching our lives with the beauty and impact of human expression and providing a source of entertainment and pleasure for all Americans. Just as importantly, the arts are an important tool in the education of our children. Several analyses of arts education show that children who study music demonstrate significantly improved ability to master mathematics, and students with four or more years of arts education consistently score higher on the SAT college entrance exam than students without an arts background. There is a clear and demonstrable connection between studying the arts and increased scholastic aptitude, a connection that as national leaders we are duty-bound to help foster and develop.

That is why, Mr. Speaker, I stand today before my colleagues in the U.S. House of Representatives and proudly offer my congratulations to the East End Arts and Humanities Council on this special 25th anniversary. May the Long Island community continue to be blessed by their work for many years to come.

TRIBUTE TO BRUCE BENSON

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, in 1994 I received the Republican nomination for Lieutenant Governor of Colorado, thus earning the privilege of running for office on the ticket of Mr. Bruce Benson of Denver. This experience allowed me the opportunity to build a friendship that is very important to me with a true Coloradan who embodies the genuine spirit of the West.

Mr. Benson and his wife Mary are the most generous people I know. Their devotion to the people of Colorado is legendary. In particular, Bruce's dedication to the State's higher education system has spanned official, voluntary, and professional capacity.

Once chairman of the Colorado Republican party, Mr. Benson continues to express his love for Colorado's picturesque vistas, wildlife, and environment through political activism and community leadership. His commitment to economic expression, job creation, public safety, and economic opportunity is seconded only by his interest in improving the quality of education for all Colorado children.

Mr. Speaker, I am blessed to know Bruce Benson as a friend, but more importantly, as a Coloradan. Clearly, his leadership in Colorado continues to inspire many and ensure greater hope and optimism for generations to come.

Mr. Speaker, the Denver Post, yesterday, published an editorial commentary praising the many contributions of Bruce Benson. I first commend the Post and further submit its comment for the RECORD.

[From the Denver Post, Oct. 30, 1997].

BENSON BUILDS LEGACY

With today's dedication of the Benson Earth Sciences Building at the University of Colorado in Boulder, former GOP gubernatorial candidate Bruce Benson translates his long history of service to CU into the most tangible of contributions: a building in which young people can learn.

The naming of the building commemorates Benson's leadership of the fund-raising drive that made the $14.5 million building possible, as well as a substantial contribution from the Benson family. Nor will Benson rest on his laurels. He and his wife, Marcy, have also agreed to spearhead the campaign to raise more than $271 million to support CU President John Buechner's ambitious Total Learning Environment initiative.

A 1964 graduate of CU, Benson received his degree in petroleum geology.

He is now the owner and president of Benson Mineral Group, but perhaps more importantly, he is also a consistent contributor—of time and energy, as well as money—to Colorado's civic well-being. His activities as both state chairman and candidate for the state Republican Party have won the headlines, but the range and depth of his activity are awesome. He's served not only in the public realm but in private philanthropy, as well. His chairmanship of the state commission on higher education from 1986–1989 underscores his sustaining interest in higher education. He is chairman of both the Denver Zoological Foundation and Boy Scouts of America in the area. Other beneficiaries of Benson's 16-hour-day energies include the Denver Botanic Gardens, Arthritis Foundation, Denver Museum of Natural History, Safe City Foundation and the University of Denver.

We congratulate both the University of Colorado, which is adding a vital new learning center and launching an important effort to further enhance its program, and Bruce Benson, who has added a crowning credit to a noteworthy career of service.

Again, Mr. Speaker, Mr. Benson is a great Coloradan and certainly worthy of being honored and considered by the House as an exemplary American.

IN HONOR OF MICHAEL PARTRIDGE

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay tribute to Michael Partridge as he is honored by the Taminent Democratic Club at their 66th Annual Dinner Dance.

Mr. Partridge was born on the island of Cyprus on February 13, 1941. In 1947, he and his family moved to Astoria where Michael attended P.S. 4 and L.I.C. High School. From age seven through his early teens, Michael worked in his father's restaurant.

After high school, Michael studied philosophy and political science at Hunter College and later studied law at St. Johns Law and Boston Law. During his law school years, he met and married Mary and became the father of Harry. Michael also joined the National Guard during this time.

After practicing law for several years, Michael became disenchanted with the law and turned his attention toward other endeavors. Around this time, he met Ralph DeMarco who introduced him to the Taminent Democratic Club.

Michael's involvement with the Taminent included a rehabilitation program he founded with Peter Vallone to reverse the high recidivism rate at Rikers Island. During its first year, the Rikers' program placed all of its graduates in jobs or schools.

After launching his successful program on Rikers Island, Michael became involved in real estate. He rehabilitated apartment houses in Jamaica, Queens, and opened the Coliseum Mall, which helped to revitalize Jamaica Avenue.

Michael's interests also brought him into the political arena where he worked on Mario Cuomo's campaign for Governor of New York.

Mr. Speaker, I ask that my colleagues rise with me in this tribute to Mr. Michael Partridge, a man who has worked very hard to improve his community. I would also like to honor the Taminent Democratic Club on the occasion of their 66th Annual Dinner Dance.

RECOGNITION OF REV. BOB ROBERTSON'S 25 YEARS OF SERVICE TO THE EVERETT, PA, FIRST UNITED CHURCH OF CHRIST

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. SHUSTER. Mr. Speaker, Rev. Bob Robertson of the Everett, PA, First United Church of Christ was recently honored for his 25 years of service to the church and to the community.

I rise to pay tribute to this outstanding man of the cloth. Bob Robertson not only has served his church with distinction, but has played an extraordinary, behind-the-scenes role in helping those most in need in the community. He is the Pastor to our church in our little hometown which has a sign greeting you as you enter the borough: "Everett's Churches Welcome You", reflecting the value of religion and faith in our community.

Bob Robertson's guidance and sense of vision has been a rock on which the town has built itself as a great place to live and work. Bob is a selfless man who always puts the welfare of others in front of his own. His wife, Barbara, and their children have also played a key role in making our community a better place to live. I personally know of many of his good deeds to help people in need, deeds which have never been publicized but have touched the lives and hearts of many. He is an unsung hero who exemplifies the best there is in those who have dedicated their lives to their God, their church, and the people they serve.

TRIBUTE TO A.G. "BUD" HARRISON

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. LANTOS. Mr. Speaker, it is my privilege and honor to pay tribute to the exceptional public service career of my dear friend and one of San Mateo County's most dedicated public servants, A.G. "Bud" Harrison, upon his retirement from the Burlington City Council. His extraordinary devotion to serving his community, as well as his longtime commitment to educating young people about the importance of civic involvement, make him a genuine hero to all of us who care about the Bay Area.

Bud's strong belief in public service is rooted in his background and has been proven repeatedly throughout the course of his 67 years. Born in San Francisco, his future political intentions were foreshadowed at a young age when his classmates at Balboa High School elected Bud president of the senior class. After his graduation in 1948, he volunteered for a far more meaningful type of service in the U.S. Air Force. Bud spent 4 years in the military, aided his country during the Korean war, and was discharged in 1952 as a staff sergeant.

After his military career ended, Bud enrolled at the University of San Francisco, where he graduated in 1957 with a secondary teaching credential. It was then that he began his career which was destined to influence the lives of literally thousands of young men and women, as he became a political science teacher at Capachino High School.

Both of my daughters, Annette and Katrina, were privileged to be among those fortunate students in Bud's classes, and they recall his lessons with great fondness and appreciation. Remembered Annette: "In a time of great cynicism, he infused his pupils with a strong sense of civic activism and an appreciation for the remarkable role of politics in America." Katrina described Bud's "enthusiastic spirit which imbued his students with a love of public service."

In Bud's 33 years at Capachino High School, and in his 16 years as a political science instructor at the College of San Mateo, he made a lasting contribution not only to lives of thousands of young people but also to the success and stability of our democratic system of government. For this, Mr. Speaker, we are all in his debt.

Bud's most significant lessons were those of his own example. He did not preach mere platitudes about public service to his students; rather, he was an inspiring example of the impact that a sole individual can have by becoming involved in his or her community. His 35-year career spanned a wide variety of local offices and an even broader array of well-represented and appreciative constituents. The citizens of Burlingame elected Bud to three terms as their mayor, as well as to 12 years of service as a city councilman. In addition, But worked tirelessly as a San Mateo County supervisor, as a Burlingame planning commissioner, civil service commissioner, and a member of the Library Board of Trustees, and as a longtime member of the board of directors of ReCare, formerly Easter Seals, and as the director of the San Mateo County Convention and Visitors Bureau, and in a host of other important civic positions.

Through all of these challenging posts, and all of Bud's dynamic efforts to make Burlingame and San Mateo County a better place to live and raise a family, he has been loyally and lovingly supported by his wife of 44 years, Doris, by his four children, Chuck, Mary, Terry, and Cheri, and by his six grandchildren.

Mr. Speaker, as Bud Harrison's distinguished career in public service comes to a conclusion with his retirement from the Burlingame City Council, I ask all of my colleagues to join me in paying tribute to this outstanding man, an example of the best that our communities have to offer, and a true role model to all those he has taught in his classes and in his life of community activism.

EDUCATION: A COMMUNITY AFFAIR

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. KILDEE. Mr. Speaker, I rise today to commemorate the 16th Annual Community Education Day to be observed on Tuesday, November 18, 1997. In my hometown of Flint, MI the day will be celebrated at a breakfast meeting for more than 300 people. Hosted by the Genesee Area Community Education Association and the National Center for Community Education, the program will be keynoted by my very dear friend, Dorothy Reynolds, President of the Community Foundation of Greater Flint.

"Education: A Community Affair," is the theme of this year's celebration. Sponsored by the National Community Education Association (NCEA), this special day was established in 1982 to recognize and promote strong working partnerships between schools and communities.

Community Education Day in 1997 focuses on the importance of community members and institutions working together to not only support schools and enhance learning opportunities for students but to provide those opportunities for everyone. The learning community in

turn is empowered to build and maintain the support systems—social, economic, health—that make it a nurturing, caring vital place, a place where communities can prosper.

National Community Education Day is cosponsored by over 35 national organizations, among them the American Association of School Administrators, the National Civil League, the Children's Aid Society, the U.S. Department of Education, and Youth Service America.

Mr. Speaker, I urge my colleagues in the House of Representatives to acknowledge the contributions that community education has made to millions of children and families. I am proud that the National Center for Community Education is located in my hometown of Flint. I applaud the efforts of Mr. Daniel Cady and the staff at the center for their commitment to education partnerships. We well know that when educators, families, and communities work together, schools get better. As a result, students get the high quality education they need to lead productive lives. Our children deserve nothing less.

TO THANK AMBASSADOR COWSIK FOR AN EXCELLENT JOB

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. PALLONE. Mr. Speaker, the Washington diplomatic corps is about to lose one of its brightest lights with the departure of Shymala B. Cowsik, the Deputy Chief of Mission of the Embassy of India. Ms. Cowsik will soon conclude her distinguished 2-year tour of duty in the United States. In her all too brief tenure, Ambassador Cowsik has been a force in the steadily improving relations between the world's two largest democracies, India and the United States.

Mr. Speaker, Ambassador Cowsik has been no stranger to Capitol Hill during her tenure. She has worked tirelessly to educate Members of Congress and their staff about the ongoing economic liberalization process in India, and the possibilities for an ever closer relationship in the fields of trade and investment. Of course, international relations are not just based on economic factors, and Ambassador Cowsik has played a major role in helping to guide a complex and expanding bilateral relationship based on shared values of democracy and human rights, respect for the rule of law, and a growing appreciation for the cultures and traditions of each other's country.

Ambassador Cowsik has had an eminent career in India's Foreign Service. She has served as India's Ambassador to the Philippines, and has held major posts in Thailand and Yugoslavia. She now moves on to serve as India's Ambassador to Cyprus.

As the co-chairman of the Congressional Caucus on India and Indian-Americans, and as a Member of Congress representing one of the largest Indian-American communities in the United States, I consider ties between the United States and India to be of the utmost importance in our Nation's foreign policy. While we still have a ways to go to give Indo-United States ties the priority they deserve, the momentum is clearly moving in the right direction. In the last 2 years, those efforts have made giant strides, and the excellent work of Ambassador Cowsik has played a major role. We will miss her, even as we wish her every success in continuing to represent and serve her nation with the highest distinction and dignity.

IN SUPPORT OF OXI DAY

SPEECH OF

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 29, 1997

Mr. KENNEDY of Massachusetts. Mr. Speaker, on October 28, 1940, the Greek prime minister was asked to surrender to the Italian Armed Forces. He refused to surrender Greece, replying simply, "Oxi"—the Greek word for "no".

Soon thereafter, Greece found herself battling Italian invading forces. What ensued went down in history as one of the most significant military victories of all time. Greek troops were outnumbered and under-equipped, but what they lacked in size and supplies they made up for in resourcefulness and determination. The world was amazed when Greece managed to repel the invading Italian forces, thus throwing a wrench into Hitler's plans for a swift takeover of the Balkans.

Oxi Day is an important milestone in Greece's long, proud history. We must not forget that throughout its history, Greece has been forced to defend its independence and its way of life. At the crossroads of Europe, the Mediterranean, and Asia, Greece has had to contend with an unending stream of aggressive neighbors. Greece has also weathered many challenges from within. The spirit that Greece demonstrated on Oxi Day is the same spirit that has guided Greece through the most difficult periods in its history.

Commemorating Oxi Day helps us reflect on Greece's great contribution to the Allied cause. It also provides an opportunity to thank the Greek people for their long tradition of friendship and partnership with the United States. We must continue to work to expand ties with Greece, support it in its relations with its neighbors, and work to bring about a peaceful resolution to the Cyprus crisis.

HONORING JOHN STURDIVANT

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. MORAN of Virginia. Mr. Speaker, I rise today to pay tribute to John Sturdivant, who passed away on Tuesday. John's service with the Federal Government began in 1961 as an electronics technician with the Army Interagency Communications Agency. John's concern for the well-being of his fellow Federal employees was evident from the very beginning of his Government service. He soon became active in his local AFGE chapter. His passion soon earned him the respect of his peers, who elected him President of his local union in 1968.

John's continued success soon led him to AFGE's national office where he served in numerous positions culminating with his election as AFGE President in 1988. As the principal spokesman for Federal employees, John led the charge for countless reform proposals. In particular, John succeeded in reforming the Hatch Act, so that Federal employees could participate in the political process in their free time. He also pushed for locality pay, to bring Federal salaries more in line with the cost of living.

One of John's greatest fights came in late 1995, when partisan politics caused two Government shutdowns. Shutting down the Government hurt all Americans, but Federal employees suffered first by being locked-out of their jobs. Federal employees should never be used as pawns in a political chess game. Without John's perseverance, Federal employees surely would have suffered even greater injustices.

Mr. Speaker, John should be remembered for all of his accomplishments, but I will remember him mostly as a friend. He was a compassionate man with a profound respect for equity and justice. Though pragmatic, he never lost sight of the very ideals that first led him to serve in his local union. John will be sorely missed.

UNFAIR WTO ACTION INITIATED BY THE MEXICAN MINISTRY OF COMMERCE AND INDUSTRY AGAINST UNITED STATES PAPER COMPANIES

HON. JAY DICKEY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. DICKEY. Mr. Speaker, it has been brought to my attention that United States paper producers have encountered serious trade problems in Mexico relating to the World Trade Organization Antidumping code procedures. It appears that Mexico's Ministry of Commerce and Industry has ignored WTO rules relating to United States exports of apples and high fructose corn syrup. The result of not adhering to the rules on trade cases leads to lost business for our producers as their protectionism shields their domestic producers.

I wish to insert into the RECORD a copy of a letter from the American Forest and Paper Association [AF&PA] to Mr. Peter Allgeier, the Assistant U.S. Trade Representative for the Western Hemisphere, of a third case that involves U.S. cut-size bond. There are six paper mills in my district in Arkansas. All six are members of AF&PA. Two are currently exporting bond paper to Mexico and could be adversely affected if the WTO Antidumping Code is not followed. The result could be a loss of export sales for up to 6 months while the final decision on antidumping is being decided.

Free and fair trade with our neighbors must be the goal of each nation. We in Congress

must insist that international rules of trade be adhered to. I will be following this matter closely to determine whether further action by Congress is not needed. Today, it may only be apples, corn syrup, and paper products. But, tomorrow, it could be a product produced in your district.

AMERICAN FOREST & PAPER ASSOCIATION,
Washington, DC, October 9, 1997.

MR. PETER ALLGEIER,
Assistant USTR for the Western Hemisphere, Office of the U.S. Trade Representative, Washington, DC.

DEAR PETER: On May 27, 1997 the Mexican Ministry of Commerce and Industry (SECOFI) initiated an anti-dumping investigation against U.S. producers of cut-size bond paper. While individual U.S. paper producers are responsible for responding to the anti-dumping questionnaire, AF&PA is closely monitoring Mexico's anti-dumping process to ensure that it does not violate international trade rules and is not used as a tool to limit imports of paper products from the U.S. We expect that the preliminary anti-dumping determination in this case will be issued in late November.

In this regard, we have noted with mounting concern reports regarding Mexico's actions in the anti-dumping investigation regarding high fructose corn syrup (on which USTR has sought consultations in the WTO) and, more recently, U.S. apples. AF&PA is deeply concerned that these actions by SECOFI are not isolated instances but rather may represent a developing trend toward politicization of the anti-dumping process in a manner calculated to roll back the market-opening benefits of NAFTA.

You may recall U.S. paper suppliers were already the target of Mexico's anti-dumping charges in Mexico in 1993-94. In that case, SECOFI arbitrarily used third country sales to calculate the residual dumping rate. Fortunately, the case was ultimately dismissed due to a negative final injury determination. Moreover, ISAC 12 cited the use of anti-dumping procedures against U.S. paper suppliers as a problem to be addressed in our submission for the Administration's NAFTA report.

We understand that USTR will meet with Mexican officials to discuss some of the issues in the apples case in the near future. At that time, we urge you to take an appropriate opportunity to indicate USTR's concern that similar irregularities be avoided in the pending investigation covering cut-size bond paper.

As always, your help with this problem is deeply appreciated.

Sincerely yours,

MAUREEN R. SMITH,
Vice President, International.

THE ROLE OF COMMUNITY HEALTH CENTERS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. RANGEL. Mr. Speaker, I am proud to stand before you today to highlight and honor the work of community health centers [CHC's] and the vital role they play in meeting the unmet health care needs of the less privileged individuals in America.

Tailoring their services to meet the needs of the entire family, CHC's provide a full range of family-oriented, culturally appropriate, preventive and primary care services. Currently, over 3.5 million or approximately 44 percent of the individuals receiving services at CHC's are children from newborn infants to adolescents 19 years of age, including 1 million uninsured children.

Living in economically depressed, underserved communities, these children and their families are at risk for multiple health and social problems. CHC's are the entry point for these vulnerable populations. These centers provide health care services at more than 2,200 sites across the country. Each year, in my home State, New York, more than 60 free-standing CHC's provide comprehensive medical and support services to 1.5 million of the State's poorest residents.

Perhaps the greatest testimony to the importance of CHC's are their attack on spiraling health care costs through constant innovation and its effective use of preventive health care measures. The public/private partnerships formed by these CHC's have been successful at reducing morbidity and mortality among high risk individuals. While infant mortality rates among the black population remains high, the rate has been sharply reduced in health center catchment areas and, more, dramatically, among health center patients. Additionally, CHC's have stepped forward and taken a leadership role in designating cost-effective, culturally competent care for Latinos, Asians, and other hard to reach minority populations.

With the enactment of the welfare reform law, we cannot underscore the importance of these community health centers. Not only do they provide managed care efficiently and competently, CHC's make sure that they respond to the local and cultural needs of their patient populations. In today's new world of measuring the effectiveness of every Federal dollar spent, CHC's stand out as a shining example of Federal investments that pay off in both health and community impact.

Also evident is the economic impact made by CHC's. In many cases, these CHC's have been a major force in reinvigorating entire communities. Not only are jobs created through CHC construction, and the hiring and training of community residents, but partnerships are forged between health centers and local businesses—producing startling effects in many communities.

Finally, let me take this opportunity to thank all community health centers across the country, but especially those centers in the 15th Congressional District in New York which everyday exemplify partnerships of people, governments, and communities working together to meet local health care needs in the most effective and efficient way possible.

EXPRESSING SORROW OF THE HOUSE AT THE DEATH OF HON. WALTER H. CAPPS, REPRESENTATIVE FROM THE STATE OF CALIFORNIA

SPEECH OF

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 29, 1997

Mrs. MALONEY of New York. Mr. Speaker, I rise to share my condolences with the family of WALTER CAPPS—Lois, Lisa, Todd and Laura—and with every Member of this House, because we've all lost a true contributor: A man who legislated from his soul.

We are all left shocked and sorrowful at his death, but there was perhaps no one more prepared for this moment than Walter himself.

Elected officials often suffer from erosion, outside forces chip away at our thoughts, and work to influence our actions. But Walter didn't work from the outside in, he worked from the inside out, his studied philosophies, his moral strength and his writings have left us with an example to follow in our professional lives. His sincerity.

And that twinkle in his eye, have left us with fond memories, to carry home.

HONORING CHRISTINA DRAKE

HON. TIM ROEMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. ROEMER. Mr. Speaker, I rise today to thank my constituent, Mrs. Christina Drake from Bristol, IN. As a mother of two teenage boys, Mrs. Drake recently wrote a letter to me expressing her concerns about gang violence in her community. I agree with Mrs. Drake that gang violence is a serious problem in America, and I share her concerns as she so thoughtfully expressed in her poem entitled "Gang Violence" which follows:

"GANG VIOLENCE"

Kids in gangs tryin' to rule their domain,
huffin' and puffin' doin' cocaine.
Getting a feel for what is real,
but when reality sets in there's violence again.
Knives and guns, they're in our streets.
Where's the salvation, where's the retreat?
Playin' hard tryin' to win the game,
but in the end it's always the same.
One more found dead tonight,
we're all at war, and it just ain't right!
Hangin' out trying to fit in,
getting even for them killing my friend.
This time I got lucky, they missed me,
Who is next, which one will it be?
Can't you see this has all got to stop?!
It might be you, the next one to drop.
So think about what you say, and do.
Keep your head, stay in school.
There's a better way to take a stand—
work it out, live again!
If your friend was your friend,
he wouldn't push you to the limit.
Stay away, and don't get in it.
You see crime is time, and sometime it's life.
Don't let your's be the sacrifice!

TRIBUTE TO JULIO V. SANTIAGO

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. TALENT. Mr. Speaker, I rise today to pay tribute to an outstanding humanitarian, physician, teacher and scientist, Dr. Julio V. Santiago, who tragically passed away on August 10, 1997. It is an honor for me to recognize this outstanding individual, not only for his numerous professional accomplishments, but for the passion he gave to his research and patients.

Dr. Santiago was a professor of pediatrics and medicine at Washington University School of Medicine in St. Louis, and a member of the medical staffs of St. Louis Children's and Barnes-Jewish Hospitals. At Washington University, he served as director of the Division of Pediatrics Endocrinology and Metabolism and of the Diabetes Research and Training Center. He served among the leadership of the landmark Diabetes Control and Complication Trial and the ongoing Diabetes Prevention Program. Dr. Santiago was a respected researcher at developing methods for improving the management of diabetes. He served as editor of a national scientific journal, "Diabetes," as well as serving as a volunteer for the American Diabetes Association. His expertise has benefited numerous organizations and agencies, including the National Institute of Health, the Food and Drug Administration, and the U.S. Congress.

One of his colleagues, Dr. Neil White, stated, "He was an outstanding teacher and mentor and role model for all who knew him." Yet another, Dr. Sheridan Tollefsen, stated, "His life was exemplified by his boundless enthusiasm, warmth and generosity, his avid interest of sports and the outdoors, and his tireless efforts to help others."

Mr. Speaker, I ask that you join his family, his colleagues, Washington University, the residents of Missouri's Second District and me, in paying tribute to the life of Dr. Julio V. Santiago. His leadership and compassion will stand not only as an example for other physicians to follow, but for every one of us.

TRIBUTE TO LUCILLE WILLIAMS

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to Ms. Lucille Williams for her tireless service to those who are less fortunate in our community. She is a founding member of the Mid Bronx Desperadoes, which celebrated its 22 years of service to our Bronx community last week.

Born in Learned, MS in 1922, Ms. Williams is the oldest of 14 children. She attended Cambellville Elementary School and Yazoo City High School before starting a family and moving to Detroit in the mid-forties. After she moved to Harlem in 1952, she worked for the Frederick Douglas Democratic Club. In 1962, she moved to the Bronx and became vice president of the Parents Teachers' Association [PTA] at the CS 61 then vice president and president of Herman Ridder's PTA.

In 1974, under her leadership, a group of volunteers who understood the need to revitalize the Crotona Park East section of Bronx Community District 3 that was devastated by arson, disinvestment, abandonment, and population loss, founded the Mid Bronx Desperadoes [MBD].

Throughout its 22 years of service, MBD has been a model of excellence in providing our community with exemplary services through housing development and property management, economic development, and delivery of human services.

Through her years of service, Ms. Williams was involved in several other agencies. She was a founding member of Seabury Better Block Association, board member of Seabury Day Care, and active in other projects before she returned to school for her college degree. Now a senior citizen, she is a member of the Comprehensive Community Revitalization Program [CCRP] and MBD's Concerned Citizens Group.

Ms. Williams is the mother of 5 children and has 12 grandchildren and 9 great-grandchildren.

Mr. Speaker, I ask my colleagues to join me in recognizing Ms. Lucille Williams for her outstanding achievements and enduring commitment to our Bronx community.

UNDERMINING THE UNITED STATES EMBARGO OF CUBA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. HAMILTON. Mr. Speaker, I commend to my colleagues' attention the attached article by Ernest Preeg, which was published in the Journal of Commerce several days ago. The article points out that, according to a new United Nations Study, United States citizens sent relatives and friends in Cuba approximately $800 million in cash during 1996—a sum nearly twice as large as Cuba's net export earnings from its annual sugar harvest. Under current regulations, American citizens may legally send cash to Cuba only after first obtaining a very specific license from the Treasury Department. Rarely, if ever, has any American applied for such a license. The fact that so many private American citizens are moved by kinship or generosity to provide cash assistance to economically disadvantaged Cubans, in violation of the United States embargo and United States law, suggests that many Americans with ties to Cuba themselves reject one of the embargo's fundamental rationales: that it is both appropriate and necessary to apply economic pressure to promote political change in Cuba. This suggests that it is time to pursue a new United States policy toward Cuba, a policy in which both private United States citizens and the United States Government are able legally and openly to aid the Cuban people.

[From the Journal of Commerce]

HAVANA AND HELMS-BURTON

(By Ernest H. Preeg)

The U.S. embargo against Cuba, extended to third-country Cuban investors through the 1996 Helms-Burton Act, enjoys strong support among most Cuban-Americans, the three Cuban-American members of Congress and the well-organized Cuban American National Foundation.

However, Cuban-American attitudes are in deep conflict. While most strongly support the embargo, including Helms-Burton, increasingly large remittance flows are sent to Cuban friends and relatives, effectively undermining economic restrictions.

The extent of this contradiction—and its impact on U.S. Cuba policy—is underscored by a startling U.N. Economic Commission on Latin America and the Caribbean report. Eclac found sharply rising remittances to Cuba in 1995 and 1996, even as Congress enacted Helms-Burton, more than reversed the law's limited success at discouraging third-country investors.

Virtually all Cuban-Americans, and many others, oppose the Castro communist regime and want democracy quickly restored in Havana. Yet Cuban-Americans also understand that economic sanctions' poor track record forcing political change on authoritarian governments—some even step up repression in response—and the tool's disproportionate impact on the poor.

The dilemma did not exist before 1990 because huge Soviet subsidies—$6 billion annually in the late 1980s—ensured decent Cuban living conditions despite the U.S. embargo. After Russia's abrupt 1990 aid cutoff, however, Cuban shortages of food, medicine and other goods mounted, worsened by Helms-Burton.

Cuban-Americans responded by stepping up remittances, helped greatly in 1993 when Havana embraced U.S. dollar usage and opened dollar-only stores. The forthcoming Eclac report suggests remittances grew to approximately $800 million in 1996 from under $100 million in 1990, despite strict U.S. Treasury limits—before counting direct shipments of clothing and consumer goods.

The role these remittances play in undermining the U.S. embargo is best seen in a comparison with other dollar sources. Cuba's 1996 tourist receipts were $1.4 billion, sugar exports $1 billion, other exports under $1 billion and much-touted foreign investment inflows about $100 million to $200 million. Exact investment figures are secret.

But the comparative figures are gross dollar receipts, which don't reflect high offsetting imports. Cuban hotels buy most food and other goods abroad, for instance, while the sugar industry imports fertilizer, oil, machinery and parts to service refineries. Tourism's net inflow, accordingly, is as low as 30% of the gross—an estimated $400 million in 1996—while sugar's is about 50%, or $500 million. With remittances, in contrast, virtually all $800 million remains in Cuba.

In 1996, therefore, the $800 million remittances nearly equaled the net contribution from sugar exports and tourism combined. Applying the same calculations more broadly, about one-third of Cuba's entire net dollar inflow is from remittances.

The money is sent, of course, to help individual Cuban relatives and friends. Yet in aggregate, it offsets the embargo's financial squeeze and helps Havana keep the economy afloat despite failed central planning policies. While the remittances go directly to Cuban people, their help paying for food and other basic needs leaves the government

with $800 million more to spend on other priorities.

This fundamental difference between what Cuban-Americans say and do regarding the U.S. embargo deserves broader discussion, given the new Eclac figures. Helms-Burton's extra-territorial provisions create tension between Washington and its trading partners, particularly within the World Trade Organization. If Cuban-Americans press for strict adherence to the act's terms while undermining it through large and apparently illegal remittances, the embargo policy is deeply flawed.

A review is particularly timely given the pope's planned Cuba visit next January. The Catholic Church has consistently opposed economic sanctions throughout the world, given their undue impact on the poor. Pope John Paul may be anti-communist, but he is opposed to the U.S. embargo. The church's strategy for social and political change in Cuba, as elsewhere, is longer term.

During his visit, the pope hopes to obtain enhanced "working space" for the church, particularly a church radio station in Cuba—although Castro is unlikely to agree to that request. In the words of one Catholic priest: "When Fidel is gone, and the revolution is gone, the church will still be."

The Catholic Church has long dedicated itself to helping the poor and disadvantaged. It has opposed the U.S. embargo and extended food and medical shipments to Cubans through Caritas, its humanitarian agency. Several million dollars in Cuban Caritas aid, however, pales beside the $800 million in Cuban-American remittances. In this respect, Cuban-Americans are more Catholic than the Pope.

IN SUPPORT OF HONDURAN APPAREL INITIATIVES

HON. EARL F. HILLIARD

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. HILLIARD. Mr. Speaker, I would like to bring to your attention a recently published article by the Council on Hemispheric Affairs [COHA]. The article is entitled: "Scandal-Ridden Honduran Apparel Industry Seeks New Image." It appeared in COHA's biweekly edition of Washington Report on the Hemisphere on August 15, 1997.

The article brings to light the efforts of the Honduras Apparel Manufacturers Association to establish an industrywide code of conduct as a constructive, proactive mechanism to prevent future labor relations problems. The aforenamed association is a nonprofit and nonpolitical organization from the private sector, created to promote and develop exports of apparel goods, and to serve its associates and represent them before public and private institutions, both nationally and internationally. Membership is mandatory under Honduran law for all exporting companies. This new code was approved by the association's board of directors in late July, at an industrywide meeting.

Mr. Speaker, you will recall that the COHA is a locally based think-tank policy institution. It is well established for its views on developments in Latin America. COHA monitors human rights, trade, growth of democratic institutions, freedom of the press, and hemispheric economic and political developments. I would like to place in the RECORD the full text of this article.

SCANDAL-RIDDEN HONDURAN APPAREL INDUSTRY SEEKS NEW IMAGE—EMBITTERED INDUSTRY MANUFACTURES ITS OWN CODE OF CONDUCT

As major media revelations on child labor and sweatshop abuses in Honduras surfaced, deeply embarrassed local business interests, foreign firms operating in the country, and government authorities became increasingly concerned about the bad PR as much as conditions under which garments were being made there. At the end of July, the embattled Honduran Apparel Manufacturers Association (AHM) organized its first congress in San Pedro Sula in order to design a binding code of conduct for their industry. The AHM is a non-profit, non-political private sector organization established in 1991 to promote Honduras' exports of apparel goods and to serve as a foreign and domestic voice for the booming garments assembly industry. The sector consists of 180 plants, employing 87,000 workers. But its impact is far greater than it appears because in a country of approximately 5 million people, the industry accounts not only for its own workers and their almost 400,000 dependents, but for nearly 600,000 other Honduran laborers and their families in such related industries as shipping and packaging.

By drafting its own self-enforcing code of conduct, "the AHM hopes to preempt any outside intervention that could lead to regulations mandated from above." This meeting of the Honduran maquiladoreas was focused on addressing international humanitarian concerns such as harsh work site conditions and widespread labor abuses raised when the Kathy Lee Gifford scandal broke last year.

WORKING CONDITIONS IN THE FACTORY

In June 1996, Charles Kernaghan, the executive director of the National Labor Committee, submitted a complaint to the House International Operations and Human Rights Subcommittee accusing Honduran apparel manufacturers and Kathy Lee Gifford associate, Global Fashion (a South Korean-managed firm), of labor abuses. The foreign company was accused of employing approximately 100 minors under deplorable work conditions, which included prohibiting the use of restrooms, mandating that female employees take birth control pills, and forcing pregnant women to stand while working in unbearable heat. But, inspections of the company's facilities conducted by the Honduran Department of Labor and Social Security as well as the Episcopal Church, among others, failed to establish hard evidence of endemic abuse. However, the company did acknowledge that overtime work was compulsory and that there was a high employee turnover rate. In fact, Global Fashion may have been better than most of the tainted industry.

The government insists that its labor laws have been designed to protect its citizens. Under the most recent labor legislation, employees working 44 hours per week are entitled to 50 hours worth of wages, which adds up to 14 months of pay per year. While the official minimum wage in the country is $0.31/hr., most apparel industry laborers earn as much as $0.86/hr. Education is mandatory through grade six, and minors who are 14 or 15 years of age may work up to 36 hours per week, but only with permission from parents or legal guardians and from the Ministry of Labor. The AHM claims that "there are no minors under the age of 14 working in Honduran assembly plants." Skeptics are not so sure.

OBSTACLES TO THE CODE

Although the AHM's code of conduct now appears to be based on a real desire for progressive reforms, there are many cultural and political roadblocks to its progress. The Korean-owned segment of the industry creates a large culture gap that has resulted in many worker complaints. Approximately 18 percent of AHM's members are South Koreans who own about one-fifth of the 200 maquiladoras operating in the country. Complaints that Korean managers frequently commit verbal, physical and sexual abuse against female workers have led us to a expulsion of several Korean managers from the country. Due to the hard-line Korean business ethic that stresses "the more you work the more you earn" strategy, the AHM has had to provide Korean maquila mangers with special seminars on Honduran labor laws and appropriate workplace conduct.

Another obstacle hindering the efficacy of the new code of conduct is the omnipresent political corruption existing in the country. The recent scandal involving Chiquita Brand International executives and the deeply flawed Honduran court system demonstrates how the integrity of the judiciary can be compromised and manipulated by powerful and unethical foreign corporations. Complicating the AHM's task is the claim that some of the 33 plants that are unionized have tainted labor leaders who routinely demand payoffs. According to Arnoldo Solis, President of the AHM, "the new code of ethics will be a healthy instrument if used properly to enhance protection of human and labor rights, but could become dangerous if used as a political instrument to 'deteriorate' the industry."

DESIGNATE THE RICHARD C. LEE COURTHOUSE

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Ms. DeLAURO. Mr. Speaker, today I introduced a bill to designate the U.S. courthouse in my hometown of New Haven, CT, as the "Richard C. Lee United States Courthouse." I am pleased to take this opportunity to speak of the dedication and service that my friend and colleague, Richard Lee, has given the city of New Haven throughout his life. Richard Lee epitomizes all that a mayor should be. He is a local boy, a family man, a dedicated and hard-working person, and most of all a friend to everyone. He is truly a model mayor for this century.

After serving his tour of military duty, Dick Lee returned to New Haven to begin a lifetime of service to his beloved city. During four terms as an alderman, Dick Lee was committed to urban redesign at a time when most cities had not yet considered such ideas. When Lee first ran for mayor in 1949 he had the foresight to recognize the need for urban renewal. He was elected mayor in 1953 and then went on to serve eight terms.

Those of us from New Haven know Richard Lee for his profound influence on the city, but he is well known for his signal impact on national urban policy. Lee fought for and won

Federal funding for important city renewal projects. Under Lee's aegis New Haven came to have three times more Federal funds per capita than any other city. Both Presidents Kennedy and Johnson courted Lee's insight and innovation on urban renewal. Lee's forward thinking ideas on city planning were the first version of the War on Poverty.

When the signs of an urban upheaval were noted by President Johnson, Richard Lee's connection to the heartbeat of cities was well acknowledged. The new Federal Department of Housing and Urban Development was created and Lee was offered a prestigious Federal post—which he declined because he wanted to continue his service to the city of New Haven.

Anticipating the coming storm embodied in the civil rights movement, Lee applied for and received $2.5 million from the Ford Foundation to combat urban unemployment and poverty. In addition, he received the first Federal grant to battle juvenile delinquency. When the urban tensions of the civil rights movement came to a head with rioting across the Nation, New Haven was spared the violence which shook other American cities. In New Haven, not one shot was fired by a policeman and not a single citizen was seriously harmed.

Under Lee's direction, the city of New Haven became one enormous renewal effort. Every neighborhood and school was involved in Dick Lee's programs and projects, and citizens of New Haven are still reaping the benefits today. The restoration of Wooster Square and the engineering buildup of Long Wharf are both credited to Dick Lee. The Knights of Columbus building and the Veterans coliseum were also projects of Lee's doing.

While Dick Lee is known for his many achievements, projects, and programs, he is also known by the people of New Haven for his commitment to the average citizen, his community involvement, and his accessibility. For Dick there was no higher service than the office of mayor of New Haven. Time and again he rejected offers of higher government positions. He felt the best way to serve the city and the people was in the mayor's office.

In 1980 Richard Lee was presented with the Distinguished Service Award for his advocacy on behalf of America's cities by the U.S. Conference of Mayors. The country is thankful to this man who has brought so much to America's cities. Most importantly, the people of New Haven are blessed with the presence of this hometown boy who came to the position of mayor and changed the face of the city.

As a citizen of New Haven, I am grateful that I have had the opportunity to know and learn from this remarkable man. The Richard C. Lee U.S. Courthouse will be a lasting tribute to a man who was truly one of the most dedicated and effective mayors of this century.

PRIEST IS KILLED IN INDIA

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. KING. Mr. Speaker, I rise today to bring to the attention of the House that this past Tuesday a Catholic priest was found beheaded in Bihar, India, apparently for simply helping Untouchables. I not only deplore this tragedy but urge the Government of India to rectify this situation and end the persecution of religious minorities.

I submit for the RECORD two news articles describing this horrible crime and the persecution of Christians by Indian police.

[From the New York Times, Oct. 30, 1997]

3D PRIEST IS KILLED IN INDIA

NEW DELHI, Oct. 29 (AP)—A Catholic priest was found beheaded in a forest in northern India, apparently killed for helping untouchables, colleagues said today.

A search party from the Australian-run mission that employed the priest, the Rev. A.T. Thomas, found his body Monday near Sirka, Bihar, three days after he was abducted.

He was the third Catholic clergyman killed in two years in Bihar, where caste-based gang wars have killed hundreds of people.

Father Thomas, an Indian, had established 15 schools and health projects for untouchables.

[From the Tribune, Oct. 27, 1997]

DSP HURT IN BRICKBATTING

Ludhiana, October 26.—The police opened fire in the air and resorted to a lathi charge to disperse an agitated mob of Christians last night and as many as 19 policemen, including a DSP and nine Christians were injured in the brickbatting and lathi charge. Two vehicles were also damaged. The Christians had started a five-day programme on "Jesus Christ is the answer" festival from October 22 to October 26 on the Chandigarh Road. They claimed that they were holding their prayers and thousands of Christians were participating in the same. On the other hand BJP activists of the Shiv Sena and the Bajrang Dal objected to the holding of the festival alleging that the Christians were resorting to conversions and indulging in "magical healing." The administration on the first day withdrew permission to hold the festival but on the assurance that no magical healing would be done and no conversions would take place, it relented. However, groups opposed to the holding of the festival continued their protest dharna near the venue of the festival. The police had made elaborate security arrangements. According to a spokesperson for the Christians, the district administration yesterday forced them to wind up the festival as tension was brewing up in the town. He said that on October 22 an attempt was made to set the venue on fire and electric lights were damaged. But the administration did not take any action against the rioters. He said as the announcement for the cancellation of the festival was made the youngster started a dharna on the Chandigah Road. The police lathicharged them and chased them to the CMC Chowk where other Christians had collected in protest against the cancellation of the festival. The spokesman said a deputation of the Christians had also met the Chief Minister, Mr. Parkash Singh Badal, at a village in Muktsar district two days ago and apprised him of the situation. The SSP, Mr. Dinkar Gupta, said as many as 19 policemen were injured in the brickbatting. He said the police force was outnumbered at the CMC Chowk and had to resort to a lathi charge and open fire in the air to protect themselves.

BREAST CANCER AWARENESS MONTH

HON. CAROLYN McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mrs. McCARTHY of New York. Mr. Speaker, I rise this evening in support of Breast Cancer Awareness Month. We are facing a national epidemic. Breast cancer is the leading cause of death for women between the ages of 35 and 52. Approximately 1 in 9 women in the United States will develop breast cancer. Every 3 minutes a woman is diagnosed with breast cancer and every 12 minutes a woman will die of breast cancer. Our mothers, sisters, daughters and friends deserve better. We must find a cure for this disease.

In order to find a cure, scientists need to better understand this multi-factorial disease. While important discoveries have been made like the breast cancer gene which accounts for 10% of breast cancer cases, there is still a great deal more to learn. One factor particularly significant on Long Island is the appearance of clusters, high incidence of breast cancer in one geographic area. On Long Island, 110 out of every 100,000 women will be diagnosed with breast cancer compared to 100 out of every 100,000 women in New York State.

Scientists suspect that breast cancer clusters are linked with toxins and other chemical substances present in the environment. In 1993, Congress authorized the National Institute of Health to conduct the Long Island Breast Cancer Study (LIBSCP). This project brings together scientists and breast cancer patients for a comprehensive study to explore the possible connection between environmental toxins and breast cancer.

Until we find a cure for breast cancer, we must increase our efforts for diagnosis and treatment. Regular mammography screening is vital for early detection of the disease and all women 40 years old or older should receive an annual mammogram. Last week, I had the opportunity to visit a Mobile Breast Cancer Unit that provides mammograms for underserved women in my district and I was impressed with the number of women who visited the unit in one afternoon. This kind of outreach is the best way to target women in all communities for early detection.

For the one women of nine diagnosed with breast cancer, quality medical care is essential. This year, Congress introduced several pieces of legislation to assist breast cancer patients, such as minimum stay requirements for mastectomies, mandatory insurance coverage of second opinions and reconstructive surgery. Today, early detection together with quality treatment is the best way to cope with this disease.

Breast Cancer Awareness Month is an opportunity to educate women about breast cancer and to promote awareness, research and quality treatment in the United States. I look forward to the day when we have a cure and this month is no longer necessary.

TRIBUTE TO WALSH COLLEGE

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. LEVIN. Mr. Speaker, I rise to congratulate Walsh College on celebrating 75 years of leadership in exemplary business education. Walsh's history is firmly implanted in the success of Michigan business; from the early years of the auto industry to the development of high-technology businesses today.

Walsh College started as a small accounting institute in Detroit and became an upper-division college in 1968. Seizing the opportunity to partner with area community colleges, Walsh developed the successful 2 + 2 program. With just 151 bachelor-degree-seeking students in 1970, Walsh College has expanded to 4 campuses and grown to over 3,300 students currently pursuing bachelor and master degrees in business.

It is with pride that Walsh College acknowledges the 11,000 Walsh alumni who have played a vital role in the growth of Michigan's economy. Over 90 percent of their alumni live and work in southeastern Michigan directly contributing to the progress of the region.

Mr. Speaker, I ask my colleagues to join me in congratulating the entire college, the president, David Spencer, the administration, faculty, students, and alumni who have each played a vital role in Walsh's success over these past 75 years.

CAMPAIGN FINANCE REFORM

HON. RON KIND

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. KIND. Mr. Speaker, another day has gone by and still no campaign finance reform. While the House of Representatives refuses to take action on this important issue, the tales of abuses of the system continue to come to our attention.

In yesterday's paper I read, with interest, more documented abuses of the campaign finance system. The abuses include ambassadorships for sale, hush money from foreign businessmen, shakedowns of people with issues before the President, all being coordinated from the Oval Office. These revelations are new to the public, but they are not new abuses. These activities occurred over 26 years ago, during the administration of President Richard Nixon, the poster child for campaign finance reform.

Following the revelations of the illegal activities by the Nixon White House, Congress passed campaign finance reform. Those reforms haven't been changed or updated since that time. Today we see the result of our failure to update and strengthen the campaign finance rules. Parties, candidates, and special interest groups have discovered loopholes in the law and have devised schemes to operate outside of public view.

Mr. Speaker, it is time we change the rules and strengthen the requirements under which campaigns are run. If we do not take action now the abuses will continue. Failure to act will continue the undermining of America's confidence in our democracy that began after the Nixon Watergate scandal.

It is time to vote on campaign finance reform, I refuse to take "no" for an answer.

IN HONOR OF MR. ROY O. CARROLL, JR., ON HIS RETIREMENT FROM THE CHICAGO FIRE DEPARTMENT

HON. JESSE L. JACKSON, JR.

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. JACKSON of Illinois. Mr. Speaker, I rise today to honor a dedicated public servant, and my constituent, Mr. Roy O. Carroll, Jr., in his first year of retirement from the Chicago Fire Department after 35 years of committed service to our great city. In 1962, when Mr. Carroll began his career with the department, 150 African-Americans served on a force of 5,400 in segregated firehouses, and in segregated neighborhoods. The overcrowded and inferior living conditions suffered by African-Americans at that time created a dangerous atmosphere which was rife with the potential for fires and emergencies. As a result, the black fire engines, numbered 16, 45, 19, and 48, were the busiest companies in the city, and perhaps in the world, averaging from 3,700 to 4,500 runs per year.

In 1980, Mr. Carroll joined my father, the Reverend Jesse L. Jackson, Sr., in a successful effort to settle a month-long firefighters' strike. In 1982, he was promoted to the position of lieutenant, and in 1991, Mr. Carroll was again promoted to lead the force as captain. Additionally, during the period from 1991 to 1996, he served as assistant bureau commander of the West Side Fire Prevention Bureau. After this impressive tenure of committed public service, Mr. Carroll retired from the department on November 15, 1996.

Mr. Carroll's commitment to his community, his Nation, and the world extended well beyond his career with the Chicago Fire Department. He served his country honorably in the Korean conflict, and continued his service to the Nation upon his return. Closer to home, as chairman of the 111th Street Business Association, member of the Morgan Park Community Roots Organization, founding member of the Umoja Business Alliance, and senior vice commander of the Captain John Daniels VFW Post No. 111 in Chicago, and as griot of the Safari Marketplace empowerment group of manufacturers, designers, and distributors, Mr. Carroll has brought to task his leadership skills.

Mr. Carroll, a loyal husband, father of three and grandfather of three, deserves our most humble commendation. Mr. Speaker, our city, our Nation, and, indeed, the world community owe him a debt of gratitude for his valuable contributions and public service.

75TH ANNIVERSARY OF THE RESERVE OFFICERS ASSOCIATION

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. SKELTON. Mr. Speaker, in the analysis that followed World War I, it was clear to many American military experts that we suffered unacceptably high casualties due in no small part to the lack of a well-trained reserve force. With this in mind, Congress enacted the National Defense Act of 1920 which created, among other things, a 200,000-member Officers Reserve Corps.

On October 2, 1922, the Reserve Officers Association of the United States was organized at the suggestion of General of the Army, John J. Pershing. General Pershing charged the ROA with the responsibility to recruit the corps, develop public support for it, and petition Congress to appropriate adequate funds to train these citizen service members. One of my State's most prominent citizens, President Harry S Truman, a junior officer during World War I, was an original, charter organizer of the ROA. In the 75 years since its founding the ROA has more than met the challenges given to it by General Pershing.

At the beginning of World War II, 115,000 members of the Reserve Officers Corps were trained and available for instant service, helping us avoid the hectic days of 1917, when there was no adequate reservoir of officers to draw upon. Since that time, reservists have been involved in all of our conflicts, including the 267,000 that were recalled for Operations Desert Shield and Desert Storm, and the 14,000 that have served in IFOR and SFOR in Bosnia and Herzegovina.

Throughout all of these years, the ROA has been active—supporting initiatives to strengthen our Nation's military, and opposing efforts to undermine America's preparedness. It has helped stop dangerous and ill-advised cuts in our Nation's reserve forces. It has fought for and won improvements in the pay and benefits of all of our Armed Forces—measures which have been vital to us in recruiting and retaining a quality force.

Today, the ROA is a strong, vibrant, and well-respected association of 90,000 members, 68 percent of whom are life members. It is an organization whose integrity and credibility meet the highest standards. Because of my deep respect for the ROA and its work, I was deeply honored to receive its Minute Man of the Year Award in 1995.

Mr. Speaker, I know that all of our colleagues in the House will join me in congratulating the Reserve Officers Association of the United States on its 75th anniversary, and in wishing it all the best in its future endeavors.

HONORING UCSF STANFORD HEALTH CARE

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Ms. ESHOO. Mr. Speaker, I rise today to salute the farsighted, courageous leadership

of the regents of the University of California and the board of trustees of Stanford University for approving the merger of UCSF Medical Center and Stanford Health Services. UCSF Medical Center includes Mt. Zion Hospital, while Stanford Health Services is comprised of Stanford University Hospital and Lucile Salter Packard Children's Hospital. The new organization resulting from this merger shall be known as UCSF Stanford Health Care.

UCSF and Stanford Health Services, both recently named among the top 10 medical centers in the United States, have well earned reputations as extraordinary institutions that educate new physicians, engage in life saving research, and provide exemplary care to their communities. Lucile Salter Packard Children's Hospital is widely heralded for its advocacy of children's health and has a distinguished national record of expert and compassionate care for children. Mt. Zion Hospital, which became part of UCSF in 1987, has a rich tradition of providing high quality care to San Francisco families. Together, these organizations provide care to more than 1 million individuals each year. The combined entity has pledged to continue its commitment to those who need its services, including the indigent and those with special needs.

The employees of UCSF, Stanford Health Services, Lucile Packard Children's Hospital, and Mt. Zion Hospital bring with them a tradition of maintaining high standards for patient care and an ability to put a vast array of new technologies into service with dizzying frequency. Their ceaseless commitment to providing the finest service to those entrusted to their care will enable the new entity to continue as a leader in the healing arts.

Mr. Speaker, this ground breaking merger is very important to the people of our region and our Nation and will make UCSF Stanford Health Care a peerless resource for advanced medical treatment. I ask my colleagues to join me in congratulating all those who took part in the creation of UCSF Stanford Health Care and wish them our best in this new endeavor.

DOMESTIC VIOLENCE AWARENESS MONTH

HON. ELIZABETH FURSE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Ms. FURSE. Mr. Speaker, October is Domestic Violence Awareness Month. Domestic violence is a subject that we must give greater attention. In this country, 42 percent of murdered women are killed by their intimate male partners. I find that shocking—of 100 women killed, in almost half the cases, the murderer is the woman's boyfriend, ex-boyfriend, husband, or ex-husband.

The importance of violence against women as a national problem was acknowledged by Congress in our 1994 passage of the Violence Against Women Act as part of the crime bill that year.

Soon after I was elected to Congress in 1992, I met with a group of advocates working to prevent domestic violence in Portland. They asked me to develop a community-based approach to domestic violence prevention. Along with Senator Hatfield, I introduced legislation in 1993 which was included in the Violence Against Women Act and the crime bill.

Because the problem of domestic violence is pervasive, only a coordinated approach which integrates the unique perspectives and assets of these interrelated sectors of society can produce truly effective solutions. Local domestic violence organizations often lack coordination with similar groups in their community. My legislation included a provision to improve and expand existing intervention and prevention strategies through increased communication.

My legislation enabled funding for community programs on domestic violence. These grants are being awarded in local communities in order to develop coordinated community plans for intervention in and prevention of domestic violence. These projects involve such sectors as health care providers, the education community, the religious community, the justice system, domestic violence program advocates, human service entities, and business and civic leaders.

The National Research Council published a report last year called *Understanding Violence Against Women* which said: "[these coordinated community] projects had a significant impact on increasing the levels of arrests for battering, convictions, and court mandates to treatment * * * Arrests prior to the coordinated effort increased repeat violence, while police action, particularly arrest, in coordination with other criminal justice efforts deterred further violence."

These community programs were funded at $6 million each year in 1995 and 1996. Six million dollars is included in both the House and Senate versions of this year's Labor/HHS appropriations bill for coordinated community initiatives.

Much of the funding in the Senate bill comes from the violent crime reduction trust fund rather than by further extending the Centers for Disease Control's base budget, which is already stretched thin. Several of my colleagues have joined me in sending a letter to House conferees urging them to recede to the Senate position.

Mr. Speaker, the fundamental nature of violence against women remains unexplored and often misunderstood. We must increase our knowledge so that we can ameliorate this national problem.

A NATIONAL SYMBOL FOR GERMAN-AMERICANS

HON. DAVID MINGE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. MINGE. Mr. Speaker, this summer I was honored to be part of a glorious event for German-Americans, the Hermann Monument Centennial in New Ulm, MN. The 100-year dedication drew thousands of Americans with German ancestry to a parade and several festivals at the site of the Hermann Monument, a statue of a celebrated German hero.

The Hermann Monument stands at a crest of a hill overlooking the city of New Ulm. To the thousands of residents in the heavily German-American New Ulm area, the monument symbolizes the importance of German ancestry. To German-Americans scattered across the country, the Hermann Monument represents unity of the German people.

The formation of a united Germany began in 9 A.D. when Arminius, or Hermann, defeated three Roman Legions who had invaded the area known today as Germany. His victory laid the foundation for German identity. Hermann went on to symbolize German unity and the hard work and perseverance it took to attain that goal.

Centuries later in America, Hermann signified the struggle of the German immigrant coming to America. To Germans who came to this new country, Hermann stood for pride in having made it to America, and in having established opportunity for the future. Hermann was recast as a German-American symbol, representing the essence of the German-American experience.

German-Americans are an integral part of the culture and history of our Nation. There are more than 57.9 million individuals of German heritage residing in the United States, representing nearly 25 percent of the population. German-Americans surpass all other ancestries as the largest ethnic group in the United States.

Currently, we do not have a national symbol of the German heritage. The Hermann Monument celebrates the unity of German-Americans throughout our Nation. Consecrating a monument to this great leader, and manifesting it as a national symbol for German ancestry, emphasizes the importance of recognizing the contributions German-Americans have made to our country. This monument, visited by thousands of Americans of German ancestry, and revered by German history scholars, should be a national symbol for the contributions of German-Americans.

It is with the goal of recognizing the German-American experience that I have introduced a concurrent resolution that designates the Hermann Monument as a National German-American Monument and a symbol of pride for Americans of German heritage. The bill will recognize the Hermann Monument as a sight of special historical significance.

Scattered across the country in small towns as well as large cities, German-Americans are separated by regions of the country, but deeply united in ancestry. It is our duty to recognize the importance of the history and culture of German-Americans who have helped to mold our great Nation. This monument, representing unity of a great people and celebrating the experience of a unique culture, is but a small token of the contributions made by German-Americans to our great Nation.

SUPPORT STANDARDS OF EXCELLENCE IN EDUCATION

HON. BOB ETHERIDGE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Mr. ETHERIDGE. Mr. Speaker, I rise today to announce the introduction of my resolution

in support of voluntary educational standards of excellence. I urge my colleagues to join the 23 original cosponsors and myself in support of this important measure.

This simple, straightforward resolution is a commonsense approach to improving education in this country. The American people strongly support educational standards of excellence so parents, teachers, students, and taxpayers will have the advantage of quality public schools. This Congress must go on record in support of high education standards.

As the former two-term, elected superintendent of North Carolina's Department of Public Instruction, I know firsthand that aiming high and providing our teachers and students the tools they need to get the job done is the proven way to improve academic achievement. America needs educational standards of excellence, and the House must pass this important resolution.

Mr. Speaker, my resolution is strongly supported by the Council of Chief State School Officers, the American Legion, and other groups dedicated to providing a quality education to each and every child in this Nation. Our country's commitment to public education has been the great equalizer in this society. We must pass this resolution to strengthen and improve our public schools.

I have worked with the administration in developing this resolution, and it can be supported by both Republican and Democratic Members of this House.

Mr. Speaker, nothing is more important than our children. I urge my colleagues to join me in support of this important resolution to encourage education standards of excellence for every school in America.

FORAGE IMPROVEMENT ACT OF 1997

SPEECH OF

HON. HELEN CHENOWETH

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 30, 1997

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2493) to establish a mechanism by which the Secretary of Agriculture and the Secretary of the Interior can provide for uniform management of livestock grazing on Federal lands.

Mrs. CHENOWETH. Mr. Chairman, I rise in support of H.R. 2493, as amended by the manager's amendment and its second degree amendment. As originally written, I had grave concern over H.R. 2493's impact to the private property use and preference rights that spring from the Taylor Grazing Act. But after extensive discussions with Agriculture Chairman BOB SMITH and Ranking Member STENHOLM, my concerns have been addressed and I am pleased to support the measure. I wish to thank Chairman SMITH for his stalwart leadership. It is not easy to bring so many divergent views together and reach agreement. No one worked harder than he, and I appreciate him.

Mr. Chairman, the second degree amendment to the manager's amendment that I worked out with Chairman SMITH was quite simple. It merely deleted the definitions of "allotment" and "base property," and deleted a paragraph about lease transfers. It was my concern that these definitions threatened the rights found in the Taylor Grazing Act, and that the lease transfer language could allow the Secretary concerned to separate the Taylor's preference right from the base property. I wanted to ensure that when an individual sells or leases his or her ranch, that the grazing preference for the allotments go with it. The amendment merely leaves the current law in place, and I am unaware of anyone having concerns with the current definitions. However, I do realize that the current lease transfer regulations on Forest Service land cause problems. But I was concerned that we were agreeing to bad language. I would rather pass no law than bad law.

To understand my position, one must understand the history of how the Western United States was settled and the history of the development of the use right inherent in the grazing preference.

The arid grazing lands of the Western States were settled by hardy persons who endured severe hardships in developing ranching operations where there was water to support those operations. You must understand, much of this country gets less than 10 inches of rain fall per year. There is less forage, and it therefore takes a whole lot more land to raise cattle. These individuals established base properties, but had to depend upon the massive Federal lands for forage to support a viable livestock herd. They developed use rights, such as rights of way across the Federal lands, which were recognized by Congress in 1866 when it passed R.S. 2477.

Major John Wesley Powell, Chief of the U.S. Geological Survey issued a report entitled 'Report on the Arid Lands of the United States," which led to the passage of the act for the Relief of Settlers on the Public Lands, May 14, 1880. That act recognized the act of settlement itself as initiating and maintaining the settler's property rights. The report pointed out that nearly all the land in the West was primarily suited to livestock grazing and had been settled on as ranches. After passage of that act, settlement itself was sufficient to put other settlers on notice that the land had already been appropriated to private forage use.

The rights of the settlers to use of these Western grazing lands were confirmed and ratified by a series of congressional actions such as the act of August 30, 1890 as amended by the act of March 3, 1891, the act of January 13, 1897, the act of June 4, 1897, the act of June 11, 1906, the acts of March 4 and September 30, 1913, the Stock-Raising Homestead Act of 1916, which authorized homesteading of those lands designated as "chiefly valuable for grazing and raising forage crops," and several other acts leading up to passage of the Taylor Grazing Act in 1934. Each of the confirming and ratifying acts provided that all preexisting rights be protected.

As we all know, when Congress passes a validating or confirmatory statute, the legal title passes as completely as if a patent were issued, and the power left to the United States is the power to survey and define the boundaries of the tracts validated, as determined by the U.S. Supreme Court in *U.S.* v. *State Inv. Co.*, 264 U.S. 206 (1924).

When the Taylor Grazing Act was enacted, the Congress emphasized protection of the prior existing rights, and called for establishment of the grazing preferences. Following passage of the act, the Department of Interior surveyed existing allotments throughout the West and issued adjudications establishing the grazing preference right attached to that adjudicated allotment.

Secretary of Interior Babbitt issued his regulations of grazing in the so-called Rangeland Reform, and one of those regulations replaced the term "grazing preference" used by the Congress in the Taylor Grazing Act with the term "permitted use," and made that grazing use dependent upon the discretion of the Secretary. In *PLC* versus *Babbitt,* United States district judge Brimmer enjoined the Secretary from replacing the "grazing preference" with a discretionary permitted use. In his decision, Judge Brimmer traced the development of a grazing preference right:

> Congress enacted the Taylor Grazing Act in 1934. Pursuant to the Act, the Secretary identified public lands "chiefly valuable for grazing and raising forage crops and placed these lands in grazing districts. Thus, the Department of Interior engaged in a lengthy adjudication process to determine who was eligible for a grazing preference. This process began in the 1930's and took nearly 20 years to complete. The Department issued adjudication decisions awarding grazing preferences to qualified applicants. The term "grazing preference" thus came to represent an adjudicated right to place livestock on public lands.

Judge Brimmer continued: "The grazing preference attached to the base property and followed the base property if it was transferred."

Mr. Chairman, the bill without the second degree amendment could have allowed the Secretary concerned to separate that adjudicated right from the base property. No longer would the adjudicated right to place cattle on an "allotment" be "appurtenant" to a base property. This bill would have downgraded that legal connection to "associate with." Additionally, the lease transfer section of this bill would have left the transfer of the adjudicated right to the sole discretion of the Secretary, with absolutely no qualifications. This is wrong. The Taylor Grazing Act already has adequate qualification requirements, and this bill will supersede Taylor.

Judge Brimmer's decision is critical to the ranchers who are dependent upon forage rights on Federal lands. It acknowledges grazing preference as a "use right.". It is a decision which specifically states that the Secretary has "an affirmative duty to protect" the "grazing preference." We must not extinguish that right, and with the amendments, it does not.

The lawyer who argued *PLC* versus *Babbitt* to the Tenth Circuit Court of Appeals is very concerned about the way the manager's amendment was written. I quote from an October 29, 1997 letter from Connie Brooks:

> The term appurtenant was originally described in the first rules under the Taylor Grazing Act. The appurtenance issue is very significant with respect to transferability of the grazing preference. Once a preference or grazing use was "appurtenant" or "attached" to a base property, it meant that the

transfer of the base property included the transfer of the grazing preference or grazing use. Based on this fundamental premise, ranches to this day can be mortgaged, inherited, and bought and sold with the assurance that the grazing rights on Federal land will also be transferred.

Again, the second degree erased the bill's entire attempt to define the base property and allotment, and I thank Chairman SMITH for agreeing to this.

Regarding the lease transfer language, Connie Brooks, again, the lawyer who argued BRIMMER, wrote:

"This may well spill over into the long-standing interpretation of the Taylor Grazing Act, which requires the Secretary to recognize any transfer of the base property and grazing preference. The Forest Service will require the waiver of the permit back to the agency and re-issuance to a purchaser. The concern is that if there is an issue of discretion then we will see the BLM seeking to cancel a grazing preference and permit rather than transfer it. The cancellation and issuance of a new permit will trigger a host of environmental and permitting issues, which would make ranches difficult to sell as cattle ranches and increase the likelihood that they will be developed as subdivisions, reduce the value of the ranch and collateral.

Mr. Chairman, this is a quote from the woman who argued the Brimmer decision. This is a property rights, 5th amendment issue. We cannot allow these ranches that have been passed down from generation to generation to have their adjudicated preferences separated from them. The ranches will become useless, and families will be destroyed.

The second degree amendment addressed my concerns. Again, I thank the Chairman and all those who worked so very hard on this bill. I urge adoption of the bill.

TRIBUTE TO KEITH FORBES

HON. DONNA M. CHRISTIAN-GREEN

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 31, 1997

Ms. CHRISTIAN-GREEN. Mr. Speaker, I rise to pay tribute to Mr. Keith Forbes, a fellow Virgin Islander, close family friend and one of the pillars of my childhood, who passed away last week. Mr. Forbes dedicated his life to the service of God, his family, and his community, making the Virgin Islands a better place due to his efforts.

Keith Forbes was born on October 28, 1920 on the island of St. Croix. He served the St. John's Anglican Church Community in Christiansted for over 60 years in many capacities. As a young boy, he served as an acolyte, licensed lay reader, and later conducted outreach services at the correctional facilities and outlying areas of St. Croix. He also served on the Vestry where his duties included the position of junior and senior warden and vestry member emeritus.

In 1944 Mr. Forbes began what would eventually span more than five decades of active Masonic involvement. He was installed as a Freemason in the Sovereign Grand Lodge of Puerto Rico and served as the past district deputy grandmaster and past district deputy grand instructor of that lodge. He became a founding member of the Caribbean Light Lodge No. 101, as well as a charter member of Master Masons Lodge of Anguilla, W. I. Mr. Forbes also held the positions of high priest of Zetland Chapter No. 359 St. Thomas; Supreme grand Royal Chapter of Royal Arch Masons of England; member Chapter Rose Croix, HRDM No. 48 Jamaica, W. I.; Supreme Council 33 Degrees Masons of England of Wales; Past High Priest of Caanan Chapter No. 1, and past commander Knight's Templar.

From 1952 to 1979, he began his association with the Federal judicial system, starting as a clerical assistant and retiring as the deputy clerk-in-charge, for the St. Croix Division of the U.S. District Court.

Throughout the late sixties to the early eighties, he owned and operated "The Peppermint Parlor", a popular local restaurant, which served as a friendly family gathering place for the community.

In 1988 he was named president of the board for Brodhurst Printery, Inc., parent company of the St. Croix Avis, the local newspaper for that island district, maintaining that position until his untimely death.

He was a founding member of the Gentlemen of Jones, a charitable community organization that provides services to the people of St. Croix, especially renowned for their Christmas charity work in the city of Frederiksted.

On behalf of the people of the Virgin islands of the United States, I salute Keith Lancelot Forbes for his dedicated service to God, his family, and community.